

The NATIONAL UNDERWRITER

Life Insurance Edition

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SHOULD AN AGENCY BE WELL EQUIPPED?

Reference Work

An Agency should have at least one copy of all reputable Life Insurance Selling Services for reference purposes. A lawyer would not think of operating an office without Blackstone.

Attract Agents

Prospective Agents are more readily attracted to the better equipped offices.

Help Agents

Many Agents have been pulled out of a slump by a re-study of the fundamental principles of some part of the selling job. See the new "Problem Index", now furnished with the Salesmanship Section of The Diamond Life Bulletins, which will assist in diagnosing selling weaknesses.

Sales Talks

Tested sales talks for every "need" will be found in the seven volumes of accumulated Files. New canvasses appear in the Monthly Supplements as they come to our attention.

Sales Plans

Most of the workable Sales Plans will be found in these Files which we have been accumulating and revising for 16 years.

Tax and Business Insurance

Agents specializing in the higher branches of Life Underwriting, such as Income and Inheritance Taxes, both Federal and State; Estate and Gift Taxes; Wills and Business Insurance can find valuable help in referring to these special Sections. Our recently revised Section on "Sole Proprietorship Insurance" is the most comprehensive treatment of the subject yet published. The Section on "Partnership Insurance" is now under revision.

Training Booklets

General Agents and Managers have found our new "highlighting" booklets useful in training new men and in stimulating established Agents. These attractive pocket-size booklets cover the subjects of "Life Insurance Situations," "Prospecting," "The Approach," "Life Insurance Property" and "The Term Insurance Fallacy." Other booklets will follow from time to time.

Text Booklets

Our booklets "Life Insurance and Federal Tax Laws" and "Reducing Your Taxes" which have been published now for five consecutive years, are enjoying a wider use each year.

The Cost of Equipping an Agency is comparatively small when spread over a term of months.

**SALESMANSHIP SECTION \$4 A MONTH THE FIRST YEAR
\$2 A MONTH THEREAFTER**

PRESENT SUBSCRIBERS CAN SECURE A FOURTH MISCELLANEOUS BINDER AT OUR COST—\$1.50.



THE DIAMOND LIFE BULLETINS . . . 420 East Fourth Street . . . Cincinnati, Ohio
A NATIONAL UNDERWRITER PUBLICATION

FRIDAY, DECEMBER 4, 1936



No father... no pay-checks... no Christmas

NOT YOUR CHILDREN... lingering hopelessly at the window where the toys are. You yourself are here to be their Santa Claus.

But things change mightily in families that lose their fathers. Not just at that late makes fatherless. Not just at Christmas, but month after month there's often a lack of money.

That's why The Union Central Life developed a new kind of life insurance—a kind that takes up when pay-checks stop—that goes on supplying money every month till your children are grown.

Called the Multiple Protection Plan, it will give your family \$100 every month for 20 years. And then it will provide a fund to support your wife as long as she lives.

You can afford to give your children and their mother all this money—every month protection if your salary is as much as \$45 a week. If you're earning less than that, you can still arrange to leave them \$75 or \$50 every month to help pay their inescapable bills.

The Union Central Life, sponsor of the new plan, is a 65-year-old

**YOU CAN LEAVE
your family an income of
\$100 EVERY MONTH
if you're earning \$45
a week or more**

To keep your family together... to cover the inescapable month-after-month expenses... to see your children through school... \$100 a month for those most important twenty years. Then a fund to support your wife as long as she lives! These and other vital kinds of protection are gathered together in the new Multiple Protection Plan which you can afford. Send the coupon at the right for complete information.

life insurance. It has over a billion dollars in force. Check into the Multiple Protection Plan right now. See how well it would let you provide for your youngsters' Christmas... and for their necessary monthly bills through the years till they're self-supporting. See how much more protection it lets you give them, by providing money as you give them it—month after month, instead of in a lump sum. The coupon will bring you full information.

THE UNION CENTRAL LIFE
INSURANCE COMPANY
Cincinnati, Ohio

Please mail me the booklet that explains clearly how I can give my family the vital protection of money every month.

Name _____

Address _____

City _____

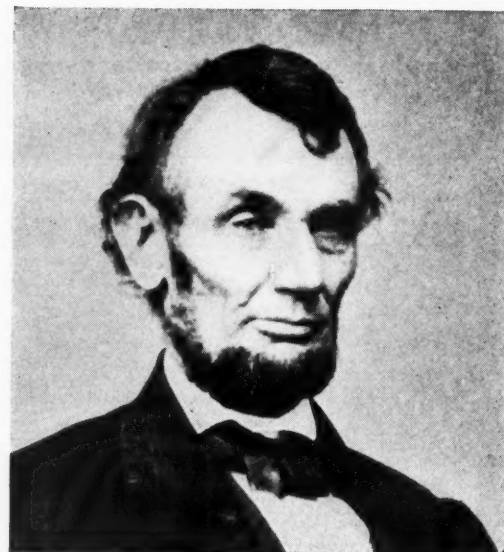
State _____

INSURANCE COMPANY

• That headline and its accompanying picture strike right to your prospects' hearts. Reaching fathers at the time of year when they're thinking most fondly of *their own* youngsters, this powerful advertisement will put over with special impact the need for life insurance that provides *money every month*.

With this full-page advertising in national magazines to pave the way, Union Central field men will find December an especially good month in which to sell life insurance. But as a matter of fact, *all* months are good for Union Central's famously successful Multiple Protection Plan—a contract that lets even fathers on moderate salaries leave their families *\$100 every month for 20 years*.

**The
UNION CENTRAL
Life Insurance Company
CINCINNATI, OHIO**



**THE LINCOLN NATIONAL LIFE
PROVIDES ITS FIELD MEN WITH:**

Guaranteed Cost Insurance Plus Participating Insurance

The Lincoln National issues both guaranteed cost insurance and participating insurance. Under the guaranteed cost plan, the Emancipator, Life Expectance, and Low Cost Preferred Risk policies afford unusually low guaranteed cost protection. The Company also issues participating insurance, thus making available whichever plan the client desires.

**THE LINCOLN NATIONAL
LIFE INSURANCE
COMPANY**

FORT WAYNE, INDIANA

Operates in 35 States and the District of Columbia

ITS NAME INDICATES ITS CHARACTER

Life Presidents Hold Forth in New York

Death Rate Goes Up, Hall Reports

Increase of 3/10ths of 1 Percent in 1936 Is Shown for Insured Lives

TUBERCULOSIS IMPROVED

Life Presidents Association Is Told Degenerative Diseases Still Are Serious Problem

Combined mortality experience of 48 Life Presidents Association companies indicates a death rate of 824.5 percent this year against 821.8 in 1935, or an increase of 2.7 persons per 100,000, or three-tenths of 1 percent, President Arthur F. Hall of the Lincoln National Life reported in a talk on the contribution of life insurance through American foresight at the New York annual meeting of the Life Presidents Association. In 1922 the insurance death rate was 834.5 per 100,000. Projection of this rate for the full year would indicate an increase of 4,000 deaths if the population had remained stationary, or 1,397,000 compared to 1,393,000 the year before. There was, however, about 908,000 increase in mean population, which would involve 10,000 deaths. It may be, he said, that the number of deaths per 100,000 of general population will be even less than in 1935.

Many Diseases Decrease

Of the 21 specific causes of deaths shown in insurance experience, 14 show decreases from 1935 figures and seven show increases. Infectious diseases, degenerative diseases and violent deaths are the three major mortality problems today.

Pneumonia showed 6.7 per cent increase, being responsible for 68.8 deaths per 100,000, the highest death rate from this cause since 1929. However, influenza accounted for only 12.9, a 2.3 per cent drop. Deaths from puerperal state continue to decline, being 6.3 per 100,000, a drop of 10 percent. There is relatively more reduction in maternal death rate than in the birth rate.

Aggregate deaths from the six most prevalent children's diseases decreased 2.2 to 13.5 per 100,000 policyholders, compared to 20.4 for diarrhoea and enteritis alone 10 years ago. Typhoid fever and respiratory disease death rates were practically unchanged.

Tuberculosis and syphilis are causing the most concern among chronic infectious diseases. Great strides have been made in the fight against tuberculosis.

(CONTINUED ON PAGE 19)

Patterson Named Penn Mutual Vice-President

Chicagoan Heads Agency Department—Boileau and Adam Also Advanced

PHILADELPHIA, Dec. 3.—President W. H. Kingsley of the Penn Mutual announces that at a meeting of trustees Alexander E. Patterson, Penn Mutual Chicago general agent, was elected vice-president in charge of agency affairs, and Wallis Boileau, Jr., is promoted from superintendent of agencies to second vice-president in charge of agency affairs. Malcolm Adam is elected vice-president in charge of underwriting, succeeding John V. E. Westfall, who retires. The changes are effective Jan. 1.

Mr. Boileau's Career

Mr. Boileau entered the agency department of the home office in 1914 and has been successively editor of company's agency magazine, chief clerk of the department, assistant to the agency vice-president, and, by appointment in July, 1931, superintendent of agencies. He has had 17 years of close contact with the agency force.

(CONTINUED ON PAGE 10)

National Life Underwriters Trustees Name Riehle as New President

NEW YORK, Dec. 3.—Alexander E. Patterson, general agent Penn Mutual Life at Chicago, presented his resignation as president of the National Association of Life Underwriters at the trustees' meeting here, following announcement of his appointment as vice-president in charge of agency affairs of the Penn Mutual.

For personal reasons Vice-president O. Sam Cummings, general agent at Dallas of the Kansas City Life, preferred not to fill out the remainder of Mr. Patterson's term and former President T. M. Riehle, associate manager Equitable Life of New York in New York City, was drafted by the trustees to serve as president.

In accepting Mr. Patterson's resignation the trustees made Dec. 8 the effective date, so that he will represent the National association at the Pittsburgh Life Underwriters Association's golden jubilee celebration Dec. 7. With one ex-

(CONTINUED ON PAGE 7)

Big Attendance At Annual Rally

Many Other Functions Were Held During the Eventful Week

COMMISSIONERS ON HAND

Greetings Are Brought by Two Company Organizations and National Life Underwriters Association

By R. B. MITCHELL

NEW YORK, Dec. 3.—With speakers drawn from an unusually broad range of business and professional fields, the annual convention of the Association of Life Insurance Presidents got under way today.

Early attendance figures show a definite increase over 1934, and point to a total not far behind the record attendance of last year, when in addition to the presidents' meeting, the National Association of Insurance Commissioners met in New York City. Although the latter organization will meet next week at Hot Springs, Ark., many of the eastern commissioners are here for the Life Presidents' gathering and even some of the ones from farther west, including Commissioner Sullivan of Washington, former president of the commissioners' organization, and Superintendent Bowen of Ohio. Director Ernest Palmer of the Illinois department and president of commissioners' association, is on the program.

Organizations Hold Meetings

Although the commissioners' meeting is not being held here this year, there are a number of other organizations which meet around the time of the Life Presidents' meeting. The Association of Life Insurance Counsel held its annual meeting the two days before the opening of the Life Presidents' convention, and many of the lawyers remained for the meeting which followed.

The Insurance Advertising Conference held its mid-year meeting yesterday. Trustees of the National Association of Life Underwriters met yesterday at the Waldorf-Astoria, deciding among other things the place for the mid-year meeting of the association.

The New York City Life Managers' Association held its annual dinner in honor of the life insurance home office executives, many of whom were guests.

President John J. King of the Hooper-Holmes Bureau gave his fourth annual dinner in honor of the president of the American Life Convention, who this

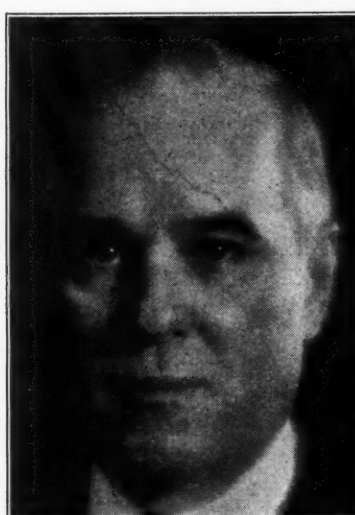
(CONTINUED ON PAGE 10)

Fill Vacancies Patterson Made



T. M. RIEHLE

Due to the resignation of A. E. Patterson as president of the National Association of Life Underwriters, T. M. Riehle of New York, a past president, has been appointed by the trustees as



HARRY T. WRIGHT

head of the organization. Mr. Riehle was already a trustee. As president he becomes ex-officio trustee. Therefore to fill his position as regular trustee, Harry T. Wright of Chicago has been named.

Insurance in Force \$104,500,000,000, Says Cox, But Still Very Inadequate

Although the total amount of life insurance in force in this country is \$104,500,000,000, representing \$24,750,000,000 assets, this is the "poor box of the parish," Guy W. Cox, president of the John Hancock Mutual stated in his analysis of life companies' investments at the New York annual meeting of the Association of Life Insurance Presidents, for the average coverage is only \$1,633 and the assets share of each participant only \$387. Mr. Cox said any party or power should be ashamed to filch so small a saving or to impair it by forced liquidation or inflation. "Hands off!" he warned. In the vast majority of cases there are no other savings than the life insurance to rely upon while the policyholders live, or to leave to their families when they die.

Adequate Interest Yield Is All Important Item

Payment of the benefits, he emphasized, depends upon the companies' ability to earn at least the guaranteed interest rate upon the contracts. Safety is the first objective, but it should not excuse sloth and inefficiency. The investment department's task is to secure maximum yield compatible with the high degree of safety necessitated by the purpose for which the funds are held, a problem demanding diligence and expert investment knowledge. He emphasized that within the classes permitted by law life company investments are highly selective and the investment risk is minimized not only by the character of securities but by diversification by classes and geographical distribution.

It has for long been safe and easy to hold long term investments until maturity, a practice necessary and consistent with the life insurance principle, Mr. Cox said, obviating expense of frequent reinvestment and ordinarily carrying higher interest rate than short term obligations. He noted, however, that the call provision in many long term bonds has made this advantage almost a joke. "The joke is always upon the investors, whether interest rates go up or down," he said. "I look upon these provisions as almost a fraud upon investors." He said they are particularly used in corporate business financing.

Persistence of Thrift Is Predicated on Interest

Mr. Cox said he collected a great amount of data and economic theories in an effort to explain in his paper why the present interest rates for current life insurance investments are so low, then threw it all in the waste basket. The salient fact, he said, is that the chief incentive to thrift is a saving based upon interest rates, and there must be a living wage for money if thrift is to persist.

Mr. Cox reported that about one-half of assets of the life companies are now invested in bonds, both government and corporate; about one-fifth in farm and urban real estate mortgages, and the remaining three-tenths in policy loans, real estate, cash and miscellaneous assets. His tabulation showing the actual figures is presented in another column.

Bonds, with a very small proportion of stocks, have been the most important major class of life companies' investments in the period surveyed, except in 1924-1931, when real estate mortgages dominated. Bonds, however, never have represented less than the 36.7 percent of assets of the 49 Life Presidents companies at the end of 1932, and since then the amount of these holdings has

increased from \$6,976,000,000 to \$11,703,000,000, or 51.4 percent of assets. Stock holdings, chiefly preferred and guaranteed, represent only 2.2 percent.

United States government obligations total \$3,548,000,000 or 15.6 percent, having increased \$3,200,000,000 in the last five years, or 67 percent of the increase in total bonds in that period and about three-fourths of the five year net increase in total assets.

A large part of the new purchases of government bonds is in short term obligations, indicating funds are invested so that when opportunity offers and conditions warrant they may be diverted to other securities.

Urban mortgages, however, exceed bonds in ratio, being 16.6 percent; policy loans 13.4 percent and railroad securities 13 percent.

State, county and municipal obligations are at their highest point in amount and ratio, being \$1,300,000,000 or 5.7 percent. Obligations of foreign governments and their subdivisions represents 2.2 percent, chiefly Canadian government obligations.

Railroad Securities Take Lesser Place in Portfolios

Railroad securities, once the outstanding life insurance investment item, are now fourth in the list of greater single items. The ratio of railroad obligations to total assets has declined from 34.8 percent in 1906 to 13 percent, but the absolute volume, Mr. Cox said, has nearly tripled in the same period from \$1,000,000,000 to about \$3,000,000,000. In the period under survey public utilities have tripled in amount from \$800,000,000 to nearly \$2,500,000,000, the ratio to assets being 10.8 percent.

Corporate securities other than railroads and public utilities always have been a relatively small asset item, present volume being \$900,000,000 or 4.1 percent, with, however, a slow but constant upward trend in amount and percentage since 1924.

"The net result of the varying com-

ponent trends shown by the different classes of bonds," Mr. Cox said, "has been that the total bond class, as previously pointed out, has regained during the past five years the supremacy in the life insurance investments which it had lost to real estate mortgages during the previous seven years."

Farm Mortgage Holdings Are Greatly Reduced

In 1906 about twice as much life insurance money was invested by the 49 companies in urban mortgages as in farm mortgages, 19.2 percent compared to 9.3 percent; during the next 15 years farm mortgages expanded much more rapidly, in 1921 being 17.7 percent of assets against 16.7 percent for urban mortgages. Farm mortgages in life company portfolios passed their peak at the end of 1924, the ratio being 18.7 percent, but increased moderately in dollar value until the end of 1927 when the total amount was close to \$2,000,000,000. Afterwards there was a recession, so that the total farm mortgages held by the companies now is \$850,000,000 or 3.7 percent of assets.

Great need for capital in the urban mortgage field developed about 15 years ago and in the period 1921-1929 this class of holdings nearly quadrupled in amount to almost \$5,000,000,000 or 30 percent. At the end of 1931 total mortgage investment of companies was over \$7,000,000,000, representing 38.4 percent, but since then there have been substantial yearly decreases in both farm and urban mortgages, the total standing at \$4,600,000,000 or 20.3 percent of assets.

Federal Lending Agencies Exert Decided Influence

Mr. Cox said the reduced amount of new life insurance loans on real estate mortgages is largely a reflection of the greatly reduced supply of such securities meeting life companies' investment requirements. Federal lending agencies have been an important factor, now

owning about two-fifths of all existing farm mortgages. The life companies at the end of 1929 were the largest farm mortgage lenders of any class, holding 23 percent of the country's total farm mortgage indebtedness. He said they probably do not hold more than 12 percent of it today. Government insurances have had somewhat similar effect in the urban mortgage field, and mortgage moratoria have played a part. The life companies have looked askance at a policy of calling something a pledge which is not available when required according to plain terms of a form of agreement sanctioned and approved for centuries. The companies as trustees of their policyholder's funds always must consider in placing such loans not only value of the property securing them and the interest yield, but also whether the funds invested are protected by integrity of contracts as well as character of the debtor.

Expresses Confidence That Field Will Not Be Quitted

Mr. Cox said there is reason to believe, however, real estate mortgages will not be abandoned as a field for life insurance investment. Circumstances which retarded the flow of life insurance funds into this field arose chiefly from economic conditions during the depression. It is reasonable to suppose, he said that whenever it is again possible to make loans on a wider scale than at present under equitable laws to bona fide borrowers on real estate deemed to be sound security at an interest rate adequate to meet life insurance needs, the companies will be ready to do so. There is, in fact, evidence of an upward trend in new loans. Data secured from 45 companies indicate that this year 10.3 percent of all new security purchases were urban mortgages compared with 6.2 percent in 1935 and 2.6 percent the year before. Many companies are making new farm mortgage loans.

Real Estate Holdings Are Termed Still Not Too Large

In spite of many foreclosures, Mr. Cox said, real estate holdings are still moderate in amount. For the 15 year period 1916-1931, real estate holdings remained between 1.8 percent and 2.8 percent of assets, beginning to swell in 1932. Increase during the past five years, however, brings the total real estate holdings of the 49 companies to about \$2,000,000,000 or 8.9 percent of assets. Mr. Cox said this is quite moderate when considered as an index of foreclosure, since at the end of 1931 the 49 companies held more than \$7,000,000,000 of real estate mortgage investments. The five year net increase of approximately \$1,500,000,000 in real estate holdings, which may be assumed chiefly as the result of liquidation of loans, thus is about one-fifth the total mortgages held five years ago and cannot be regarded as excessive in view of the extreme severity of the depression.

Compares Situation With That in Past Depressions

While real estate now represents a somewhat larger proportion of life insurance assets than at any other time in the 30 year period under survey, it still occupies a relatively minor place in the whole investment picture, the percentage of 8.9 being substantially lower than that resulting from other major depression periods, such as 1873-1879, when the percentage was 12.2.

Mr. Cox also took up policy loans, (CONTINUED ON LAST PAGE)

Gives Investment Tabulation

Investment figures of the 49 Life Presidents Association companies were presented at the annual meeting in New

York by President Guy W. Cox of the John Hancock Mutual Life. The figures, running back to 1906, are:

Dec. 31	Farm Mortgages	Pct.	Other Mortgages	Pct.	Total Mortgages	Pct.	U. S. Gov. Bonds	Pct.
1906	\$ 268,658,000	9.3	\$ 551,864,000	19.2	\$ 820,522,000	28.5	\$ 2,900,000	.1
1911	487,156,000	12.0	820,962,000	20.3	1,308,118,000	32.3	986,000	.0
1916	795,545,000	12.9	929,332,000	18.5	1,724,877,000	31.4	1,533,000	.0
1921	1,330,589,000	17.7	1,252,581,000	16.7	2,583,170,000	34.4	801,288,000	10.7
1924	1,814,133,000	18.7	2,019,972,000	20.9	3,834,105,000	39.6	688,198,000	7.1
1925	1,892,657,000	17.7	2,507,401,000	23.4	4,400,058,000	41.1	631,646,000	5.9
1926	1,967,223,000	16.5	3,152,978,000	26.5	5,120,201,000	43.0	489,221,000	4.1
1927	1,982,548,000	15.0	3,701,634,000	28.1	5,684,182,000	43.1	440,629,000	3.3
1928	1,960,113,000	13.3	4,290,583,000	29.2	6,250,696,000	42.5	391,904,000	2.7
1929	1,930,434,000	12.0	4,816,134,000	30.0	6,746,568,000	42.0	316,381,000	2.0
1930	1,886,389,000	10.9	5,127,646,000	29.6	7,014,035,000	40.5	303,431,000	1.8
1931	1,835,525,000	9.9	5,253,453,000	28.5	7,088,978,000	38.4	355,593,000	1.9
1932	1,701,149,000	8.9	5,095,166,000	26.8	6,796,315,000	35.7	421,210,000	2.2
1933	1,500,673,000	7.8	4,741,064,000	24.6	6,241,737,000	32.4	804,867,000	4.2
1934	1,188,167,000	5.9	4,308,108,000	21.4	5,496,275,000	27.3	1,737,222,000	8.6
1935	986,458,000	4.6	3,962,738,000	18.6	4,949,196,000	23.2	2,721,341,000	12.7
1936-9/30	874,240,000	3.9	3,817,327,000	17.0	4,691,567,000	20.9	3,341,809,000	14.9
†1936-12/31	850,000,000	3.7	3,780,000,000	16.6	4,630,000,000	20.3	3,548,000,000	15.6

Dec. 31	State, County and Municipal Bonds	Pct.	Canadian Government Bonds	Pct.	Other Foreign Government Bonds	Pct.	Total Government Bonds	Pct.
1906	\$ 103,789,000	3.6	\$ 22,214,000	.8	\$ 64,997,000	2.3	\$ 190,990,000	6.8
1911	169,907,000	4.2	22,440,000	.6	81,110,000	2.0	274,447,000	6.8
1916	241,696,000	4.5	69,711,000	1.3	138,953,000	2.6	450,360,000	8.4
1921	347,611,000	4.6	157,419,000	2.1	110,648,000	1.5	615,678,000	18.9
1924	343,753,000	3.6	225,115,000	2.3	43,124,000	.4	611,992,000	13.4
1925	355,116,000	3.3	246,616,000	2.3	37,195,000	.4	638,927,000	11.9
1926	343,984,000	2.9	264,906,000	2.2	30,224,000	.3	639,114,000	9.5
1927	356,390,000	2.7	304,478,000	2.3	32,624,000	.3	693,492,000	8.6
1928	413,742,000	2.8	337,103,000	2.3	35,498,000	.2	786,343,000	8.0
1929	541,253,000	3.4	372,761,000	2.3	36,397,000	.2	950,411,000	7.9
1930	587,205,000	3.4	404,002,000	2.3	32,330,000	.2	1,023,537,000	7.7
1931	695,387,000	3.8	441,274,000	2.4	31,519,000	.2	1,168,180,000	8.3
1932	739,785,000	3.9	448,403,000	2.4	24,712,000	.1	1,212,900,000	8.6
1933	808,586,000	4.2	439,897,000	2.3	17,029,000	.1	1,265,512,000	10.8
1934	1,015,228,000	5.0	439,870,000	2.2	14,980,000	.1	1,469,078,000	15.9
1935	1,169,710,000	5.5	469,164,000	2.2	13,392,000	.1	1,652,266,000	20.5
1936-9/30	1,263,785,000	5.6	489,426,000	2.2	10,495,000	.0	1,763,706,000	22.7
†1936-12/31	1,299,000,000	5.7	497,000,000	2.2	10,000,000	.0	1,806,000,000	23.5

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Says Committee Quizzes Insurance Deals

Investigating Congressional Coterie Starts Probe, Headed by A. J. Sabath

WITNESSES BROWBEATEN

James P. Sullivan and James M. Crume Are Inquisitors—Much Injustice in Tone of Questioning

Life insurance company reorganizations were taken up this week at the hearings in Chicago by the Sabath committee of Congress to investigate bondholders reorganizations headed by Representative A. J. Sabath of Illinois. The other members are Representatives Dirksen of Illinois and O'Malley of Missouri.

All the failures of the past few years will be taken up, including the Missouri State, Illinois Life, National Life U. S. A., Security of Chicago, Peoria Life, Detroit Life, etc. Because it was the largest the Missouri State was taken up first and occupied Tuesday and Wednesday, with a session running till late Tuesday night. This was followed by some real estate cases and the other life insurance cases follow.

Chief Witness Heard

The chief witnesses called in the Missouri State case were W. W. Head, president General American Life, which took over the company; R. Emmet O'Malley, superintendent of insurance of Missouri, who was liquidator and who was given much authority by the reinsurance contract over the conduct of the business; and Arthur Coburn, vice-president Southwestern Life of Dallas, which bought the General American stock when the Equity Corporation group decided to sell its 43,000 shares out of the capital of 50,000 shares. Other witnesses, called or under subpoena, were C. E. Nelson, actuary Missouri department; T. C. P. Martin, attorney for Equity Corporation and affiliated interests which formed the General American Life; P. B. McHaney, attorney for the Missouri department and one of the voting trustees of the General American stock; C. S. Goodman associated with J. P. Aylward, counsel of the Missouri State Life and Examiner Heaton of the Illinois insurance department.

Chief Inquisitors

The chief investigator for the committee is J. L. Tupy. The active insurance men for the committee, however, are James M. Crume, former receiver of the Chicago National Life, which was reinsurance by the Pacific States Life in one of the strangest and most furtive actions ever put through the courts, and the celebrated James P. Sullivan, who has been a volunteer and aggressive adviser to the constituted authorities in most of the life insurance failures in recent years and in the hearings on the celebrated but defunct Illinois insurance code.

Stumbling its way through an unfamiliar subject, the committee seems honestly aiming at abuses which have done harm in the past, or which may threaten the security of policyholders. Unfortunately, the custom which seems established in such hearings of brow beating witnesses and rigorously suppressing volunteer explanations, has the result of excluding much clarifying material. Thus many hours of hearings may have little visible effect in enlightening the committee.

The Missouri State inquiry brought on the reinsurance contract with the General American, the amount of the lien

Goes to the Home Office of the Penn Mutual Life



ALEXANDER E. PATTERSON

A. E. Patterson, Chicago general agent Penn Mutual and president National Life Underwriters Association, becomes vice-president of his company in charge of agencies. A man of dynamic and colorful personality, aggressive and a loyal friend to all in the fraternity, he has a career of great usefulness ahead.

and its effect, and the purchase of the General American stock by the Southwestern Life of Dallas. Because the committee's main work was with the real estate reorganizations on the "gypping" (CONTINUED ON PAGE 11)

Great Disbursement Gives Nation Timely Assistance

That American foresight has been materialized on a very large scale through life insurance is demonstrated, Chairman William H. Kingsley, president of the Penn Mutual Life, told the 30th annual convention of the Association of Life Insurance Presidents in New York, by the fact that in 1936 approximately \$2,400,000,000 will have been disbursed by life companies and credited to policyholders and their beneficiaries of which \$1,460,000,000 will have gone to living policyholders and \$940,000,000 to beneficiaries of these policyholders.

Since 1929, he said, disbursements and credits to policyholders and beneficiaries have totaled \$18,600,000,000, the annual amount ranging from \$2,250,000,000 to more than \$3,000,000,000. This, he said, was a contribution to the economic welfare of the people of inestimable value at a time when other resources were diminishing, often to the vanishing point.

Great Record of Achievement

Mr. Kingsley compared the 1936 record to that of other periods since 1906, when the Life Presidents Association was founded. In that early year total payments and credits to policyholders and beneficiaries were \$287,000,000. By 1916 the amount had doubled to \$566,000,000; in 1926, \$1,373,000,000; 1927, \$1,500,000,000; 1928, \$1,699,000,000; 1929, \$1,962,000,000.

Mr. Kingsley sounded the theme of the entire meeting. He quoted the Encyclopedia Britannica, which stated that life in a savage state is a lottery, but in a progressive society, education,

science, invention, the arts of production and all other elements plan and work steadily together to narrow the realm of chance and extend that of foresight. A useful life has an economical value but no skill can make certain its continuance to its normal close.

Remains Thoroughly Modern

Life insurance has kept pace with growth of the country, he said. Its primary purpose, providing dependents with compensation for loss of earning power through death of the provider, has been supplemented by a variety of uses. Many new policies to meet a variety of contingencies have been developed as their need was felt.

Mr. Kingsley emphasized that policyholders who had the foresight to provide a sum for themselves and their beneficiaries not only served their own personal needs but also made a definite contribution to the general welfare of the nation. Lack of the fund would have increased dependency with consequent burden on public revenues and private charities.

Sales This Year \$14,000,000,000

He presented figures from 215 life companies representing approximately 98 percent of the total life insurance outstanding in all United States legal reserve companies, based on actual records for the first 10 months of this year and the companies' own forecast for the last two months. It appears all legal reserve companies in this country will have written this year about \$14,000,000,000, or approximately the same as last year and the year before. The total in force will be about \$104,500,000,000.

"The present life insurance outstanding," Mr. Kingsley said, "means that the material benefits of American foresight will be extended far into the future as the individual policies fall due."

Has Withstood All Attacks

"Life insurance has steadfastly kept pace with the development of the nation. It has withstood epidemics, wars, panics, and depressions, including the one of all too recent memory. In dark hours as in the sunlight of prosperity, it has kept faith with the American people."

"The future payments which this present coverage represents, as well as those growing out of future contracts, will buy food and clothing for orphaned children. They will send sons and daughters to schools and colleges. They will provide incomes for aged policyholders. They will pay off mortgages and other forms of indebtedness and, in various other ways carry out the farsighted plans of those who utilize life insurance for these purposes."

Also Gives Present Benefits

"This does not mean that the benefits derived from present coverage are all in the land of tomorrow. Every policyholder derives a present benefit from his insurance in the feeling of security which it affords him. Especially to the head of a family, or one responsible for the support of others, that is a supreme blessing. It means freedom from worry, confidence in the future, and the sense of having faithfully discharged one of life's most important responsibilities. Since about half our population is protected by life insurance, it is evident that our people generally appreciate this kind of independence."

"Glancing back at the insurance in force totals of past years, the remarkable growth which life insurance has experienced in this country is clearly evidenced. Despite the retarding influence of the depression the total, at the

(CONTINUED ON PAGE 10)

Annual Meeting of Presidents

The Thirtieth Annual Convention of the Association of Life Insurance Presidents,—whose first Chairman was former President Grover Cleveland,—held this week in New York City, presents an impressive array of the highly qualified men who hold the national institution of life insurance steadfast to its sole function of serving conscientiously and securely all classes of our people, with a leadership never more faithful and competent than now. And the breadth of the discussions, by noted authorities, of the problems in which life insurance has an interlocking concern, is indicative of the fundamental and structural position of our vast and ramifying business in the national life.

THE PENN MUTUAL LIFE INSURANCE CO.

Independence Square

PHILADELPHIA

Issuance of Par by Non-Par Companies as Sales Factor

NO UPHEAVAL APPEARS LIKELY

New York's Easing of Ban on Dual Lines Will Cut into Surplus Business

NEW YORK, Dec. 3.—No violent change in the life insurance sales picture in New York City is looked for in case non-participating companies are permitted to write participating business in New York state, a change which will probably come early in the year as the result of changes of the law favored by New York department.

It is considered unlikely, by participating and non-par men alike, that non-par agents will make any extensive invasions in the field now covered by purely participating carriers. What will probably happen is that the non-par agents who normally place a certain amount of participating business with offices of other companies, will be able to write this business in their own offices, if their companies do both types of business.

Had to Make Choice

Of the companies admitted in New York state which write both participating and non-participating business elsewhere, all write solely the non-par form in New York, where they have for about a dozen years been compelled to choose which form they would write. Consequently agents have been schooled in the sale of the non-par form and are likely to continue this selling plan, if only from habit. In those cases where the prospect obstinately demands participating insurance, the agent can give it to him without going outside his company, for all the New York department will do to stop him.

The change in the law to permit the writing of both types of business by stock companies applies only to companies having their home offices in New York state. Out of state companies are withheld only by a department edict issued by James A. Beha about 10 years ago when he was superintendent. Superintendent Pink, although he feels that it would be preferable to have companies write either participating or non-participating insurance and not both, is not disposed to continue the present arrangement whereby this choice has to be made in New York state and nowhere else.

Quirk in Law

All that has to be done to permit out of state companies to write both classes of business in New York state is for the department to reverse the edict issued by Mr. Beha. The reason for issuing the edict in the first place was that by some quirk, the law applied only to domestic companies, saying nothing about out of state carriers.

The practical advantage to non-par agents in being able to offer a participating contract would be accentuated if stock companies raise their non-par rates because of the low interest rate level.

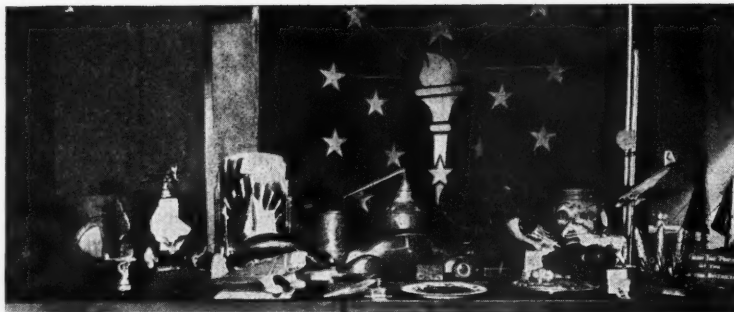
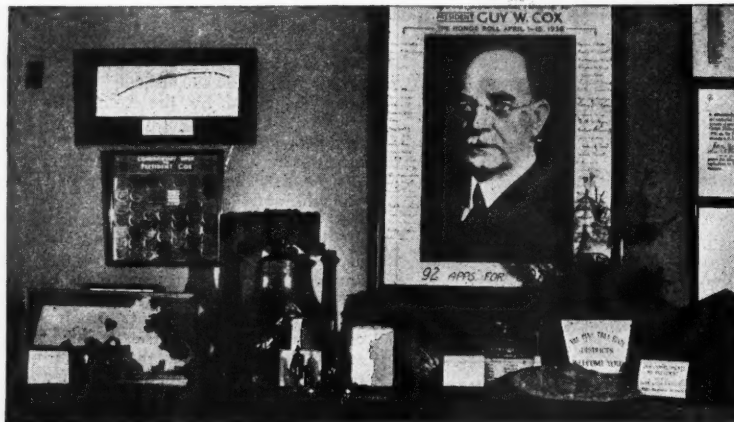
Gong Is Rung in Contest of Syracuse Agency

H. C. Nolting, agency manager for the Equitable Life of New York at Syracuse, N. Y., is using a huge gong during a contest in his agency. Whenever an agent writes \$1,000 he is entitled to ring the gong. This gong advertisement is loud enough to reach not only the ears of fellow agents in the office but most of the tenants in the State Tower building where Mr. Nolting's office is located.

Unusual Gifts for President Cox

On a personal tour of John Hancock agencies, during which President Guy W. Cox was honored by those visited with a total record writing of \$50,000,000, he acquired a unique collection of trophies significant of the cities and states visited. Recently these trophies,

speedway, representing that city; a live pine tree from Maine; a block of granite from New Hampshire, with the features of the "Old Man of the Mountain" cut in the surface; a carving in solid mahogany of a stream lined automobile bearing the John Hancock coat



which were presented in conjunction with the applications for new business, were assembled in a special room at the home office, where they stand as an unusual tribute to the John Hancock's chief executive.

They include: a Rhode Island red carved in solid mahogany, representing Rhode Island; a copper still from West Virginia; a white metal model of a race horse, Kentucky; a set of service plates from the Onondaga potteries, Syracuse; a ship model of Henry Hudson's "Half Moon," Albany; a mahogany shield cut in the outline of the state of Indiana with the insignia of the Indianapolis

of arms, Detroit; a silver loving cup from Albany; a model of the "Spirit of St. Louis," representing that city; a wooden nutmeg for Connecticut; a carved and painted oriole from Baltimore, a miniature collar, representing Troy's greatest industry, and a replica of the blockhouse at Fort Pitt.

Works of art include a jewel box, etching "The Ohio River," a modernistic ship, a Rockwood pottery vase from Cincinnati; etching, "The Arkansas Traveler"; a pair of book ends, "The Appeal to the Great Spirit"; etching of "Lake Front and Detroit Skyline."

Change in Canadian Deposit Law Is Asked by Finlayson

MONTREAL, Dec. 3.—Deposits of insurance companies with the Dominion government should be held entirely for the protection of Canadian policyholders, and the provision in the foreign companies insurance act of 1932, permitting a departure from that principle, is a flaw in Canadian insurance legislation, said G. D. Finlayson, Dominion insurance superintendent, at a meeting of the Montreal branch of the Engineering Institute.

The 1932 measure, said Mr. Finlay-

son, was the outcome of a campaign started about 1917 by representatives of certain foreign reciprocal exchanges. It had also received the support of a few life companies on the assumption that similar concessions would be made to them by certain minor republics where they did business. At the end of 1935, six foreign reciprocal exchanges had their Canadian deposits held for the protection of policyholders at large, while the deposits of five other similar companies, and of a dozen mutual fire companies, are solely for the protection of Canadian policyholders.

"It is obvious," he continued, "that the provision in question makes of very

Life Insurance Counsel Annual Meeting Is Held

LOUIS H. COOKE IN THE CHAIR

Papers Presented Touched on Some Important Subjects—Several New Members Are Elected

OFFICERS ELECTED

President—Louis H. Cooke, general counsel, New York Life.

Vice-president—Clyde P. Johnson, vice-president and general counsel, Western & Southern Life.

Secretary-treasurer—Harry Cole Bates, general counsel Metropolitan Life.

Assistant Secretary—Mildred E. Drinan.

Executive Committee—Wesley E. Monk, general counsel, Massachusetts Mutual Life, chairman; R. E. Henley, associate counsel Massachusetts Mutual Life; R. F. Baird, vice-president and general counsel Lincoln National Life; J. A. Ewing, legal adviser Sun Life of Canada, and G. H. Wilson, vice-president and general counsel Fidelity Mutual Life.

NEW YORK, Dec. 3.—The annual meeting of the Association of Life Insurance Counsel was held at the Waldorf-Astoria on Tuesday and Wednesday. President L. H. Cooke, general counsel New York Life, was in the chair when the gavel fell calling the meeting to order. About 100 members answered when the roll was called by Secretary Harry Cole Bates, general counsel, Metropolitan Life. In his remarks as president, Mr. Cooke congratulated the association on the large attendance. Among the questions raised under the national security act is one whether a soliciting agent, responsible only to the company for the result of his work is an employee of the company or an independent contractor. The answer to this question is still pending.

New Members Elected

On recommendation of the executive committee the following were elected to membership: T. A. Bradshaw, law assistant, Provident Mutual Life; F. L. Harrington, counsel, Massachusetts Protective Life; F. E. Spain, vice-president and general counsel, Liberty National Life; W. N. Humes, attorney, Connecticut Mutual Life; J. M. Peebles, general counsel, National Life & Accident; Douglas Henry, associate general counsel, National Life & Accident; S. H. Tyne, assistant general counsel, National Life & Accident; J. P. Saul, Jr., executive vice-president and general counsel, Shenandoah Life. The association reinstated Claris Adams, president Ohio State Life, to membership.

Papers Were Presented

The first paper, dealing with measure of damages upon breach of a life insurance contract, was read by F. H. Nash, general counsel, Columbian National Life. No details of this paper are to be reported.

E. W. Patterson, professor of law, Columbia University, spoke on "Some Problems in the Law of Misrepresentation."

President Cooke appointed resolution committees to draw up suitable memorials on the death of R. C. Dickerson.

(CONTINUED ON PAGE 15)

uncertain value the deposits held thereunder from the standpoint of the Canadian policyholder. All that the department can do while it remains in force, is in its reports and other publications, to draw the attention of the public to the fact that the deposits are subject to the special provision of the act."

Double Indemnity Clause Is Discussed by Kastner

ADDRESSES LIFE COUNSEL

American Life Convention Official,
C. J. Cover on New York
Meeting Program

Five recommendations were made by Ralph H. Kastner, associate counsel American Life Convention, Chicago, in his address at the New York City meeting of the Association of Life Insurance Counsel this week on the question of the effect of the incontestability clause on the right to disability or double indemnity benefits after expiration of contestable period. This is a legal problem that appears to be constantly arising. Mr. Kastner's suggestions were drawn from an exhaustive study of legal decisions on this point. He urged:

Makes Recommendations

1. Make the policy incontestable "except as to provisions and conditions relating to disability and double indemnity benefits, if any."
2. If deemed desirable, so as to avoid effect of the Ness and other similar decisions, use the phrase "except as to liability for disability and double indemnity benefits."
3. Avoid particularity such as appeared in provisions construed against the company in Ness, Kaufman, Wilson and other like cases (i. e., "except for the restrictions and provisions applying to the disability and double indemnity benefits, as provided in sections 1 and 3, respectively.")
4. Make certain that defense is vested strictly on matter of coverage rather than on a "contest" of liability.
5. Emphasize the exemption of the disability and double indemnity provisions from the application of the incontestable clause by inclusion of definite exemption language in the disability and double indemnity provisions themselves.

Defense Against Fraud

Mr. Kastner said, "It appears rather clearly that where the companies used the language 'except as to provisions and conditions relating to disability and double indemnity benefits,' without further particularity, their right to defend on the ground of fraud and misrepresentation, or to sue for cancellation was generally upheld. Difficulty was encountered where companies used the clause 'except for the restrictions and provisions applying to a double indemnity and disability benefit as provided in sections 1 and 3, respectively.'"

He noted, however, the McConnell and Strohman cases, which he said pointedly indicate the courts agree as to the effectiveness of such exemption language.

Outlines Important Cases

"Use of the express statutory language excepting the disability and double indemnity benefits from the application of the incontestable clause, appeared the controlling factor in the New York cases of Chambers, Steinberg and Katz, while the adverse decision by the Nebraska supreme court decision in the case of Ronhode seemingly rests on the failure of the company to take advantage of the statutory option that permits exception of disability provisions from the application of the incontestability clause. Companies were denied the right to stand upon an exception in the Wamboldt (N. C.) case where the supplemental contract was tied into the incontestable clause provisions of the life policy, and in the Young case (W. Va.) which pointedly specified that the disability benefit agreement was 'issued in connection with and attached to' the life

Gives Big Dinner



JOHN J. KING, New York City

President John J. King of the Hooper-Holmes Bureau of New York City, following his usual custom, gave a dinner in his city Wednesday night in honor of President T. A. Phillips of the American Life Convention. Mr. King uses the occasion to invite a number of men prominent in life insurance and the affair is always a brilliant one.

policy. The Mauney case (N. C.) it seems to me makes a rather specific inclusion of the disability benefits of the incontestability provisions of the incontestability provision of the life contract."

A number of conclusions were presented by C. J. Cover, assistant counsel Lincoln National Life, on the question of the federal income tax law as it applies to the situation presented when a mortgagee of real estate acquires the mortgaged premises on foreclosure sale or by voluntary deed. He said careful study of cases directly dealing with the question leads to the conclusion that there is no longer any doubt the interest income may result when a mortgage loan is foreclosed or released on voluntary deed, that in determining whether interest income results the value of the mortgaged premises must be determined; that the controversial issue is one of evidence relating to the determination of the value of the mortgaged premises; and that when the value of the mortgaged premises is determined, there is little or no difference of opinion as to its application upon principal, costs and interest.

Agency Corporations as Employees

Should the internal revenue department decide that agents are employees for the purposes of the old age pension proposition, some complicated questions would arise. For instance, in an agency that is a corporation how would the insurer allocate the payments to the government as among the various officers of the corporation? The problem would exist in somewhat lesser degree in the case of an insurance agency that is a partnership.

Additions to "Index" Staff

John Rees, who resigned recently as advertising director of the Colonial Life of Jersey City, has joined the staff of the "Insurance Index" with the title of executive vice-president in charge of northeastern territory. R. J. McGehean, who until recently was connected with the "Insurance Field" at Dallas in an editorial and business capacity, has also joined the "Insurance Index" as vice-president in the southwest.

Performance

Since inception the Continental Companies have paid more than \$150,000,000.00 to policyholders and their beneficiaries, involving more than two million individual claims and other payments.

More than one-third of this amount has been paid during the past five years of depression... a concrete demonstration of the dependable service and ample resources that back every policy issued by this great Chicago institution.



Continental

ASSURANCE COMPANY

CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL CASUALTY COMPANY

Jaeger Interprets Sections of Agency Practices Pact

PURPOSE OF PROVISION TOLD

Declares That General Agents Should Be Vitally Interested in All Phases of the Agreement

W. W. Jaeger, vice-president Bankers Life of Iowa, who is chairman of the better agency practices committee of the Life Agency Officers Association, feels that the presentation in a recent issue of the meeting of both signers and outsiders at the Edgewater Beach Hotel may have left a wrong impression. He refers, for instance, to the provision in the agreement about contracting with agents of other companies. That section, Mr. Jaeger said, reads, "We agree that no contract will be made — without first communicating with the home office of the employing company."

Purpose of the Section

He explains that the real purpose of section 9 is for the employing company to get first hand information as to the fitness of the man he is considering taking from some other company. This, Mr. Jaeger contends, is very American and fair. He disagrees with the statement that a number of agents start in with a big company as part timers and later graduate into the full time field with the medium sized companies and become general agents.

Mr. Jaeger also questions the statement that the National Association of Life Underwriters is not materially affected by the employment agreement. He contends that general agents should be vitally interested and extremely active in eliminating, and causing to be eliminated, improper practices, whether they be proselyting practices or not.

Winners to Get Option on Stock in Gold Mine

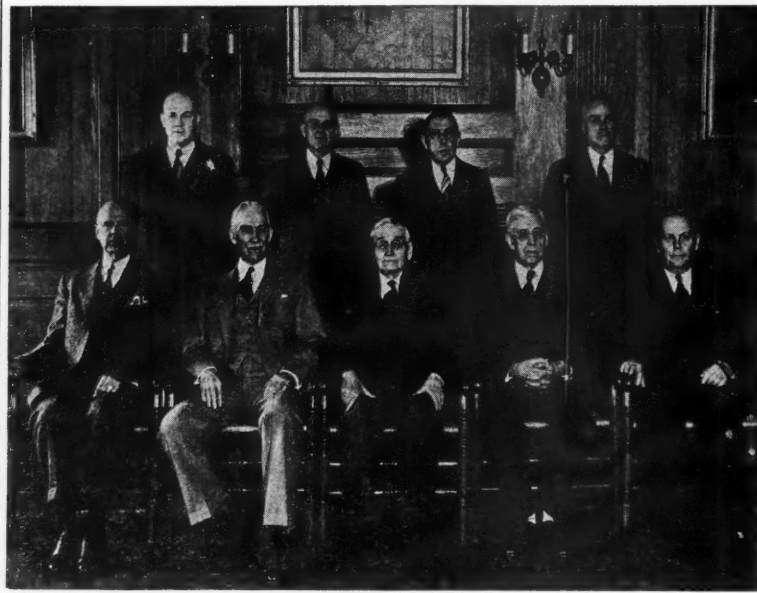
MONTREAL, Dec. 3.—Options on a mining stock is the offer made by A. P. Earle, president of the Montreal Life, as an incentive to its agents.

The president grants options on shares of Slave Lake Gold Mines to agents producing a minimum of \$10,000 of paid business between Nov. 1 and Dec. 31. There is an option on one share for each thousand of paid life insurance, with a maximum of 50 shares to any one agent. The option is given to buy shares at \$1.25 each, and will hold good until Dec. 31, 1937. "You take no risk whatever," the company states. "If the stock goes up in price, you exercise your option and reap the profit. If the stock does not advance, you do not buy."

"What are the prospects of making money out of these options? Slave Lake Gold Mines, Ltd., owns a large property on Outpost Island in Great Slave Lake. This property is being developed aggressively by one of Canada's most powerful mining organizations, commanding the best of geological, engineering and operating abilities. Work done to date indicates the existence of a very rich and extensive gold deposit. A complete mining plant was installed this summer, and shaft sinking is in progress. Ore has been shipped out to determine the best metallurgical processes, so that a mill may be designed this winter and erected next summer. Though the property is located in the Northwest Territories transportation of equipment and supplies presents no difficulty. From the head of steel at Waterways, Alberta, shipments go by water right to the property, with only one portage.

Slave Lake stock is now \$2.65 a

Average 48 Years of Service



Left to right: A. M. Hills, B. W. Loveland, Dr. C. D. Alton, F. H. Hills, J. J. Scott. Back row: F. H. Searle, A. L. Searle, F. S. Forbes and C. P. Carter.

An average of 48 years of service per man, or a total service of 432 years is the record of these nine men who have been with the Connecticut Mutual for 42 years or more. The youngest in point of service joined the company in 1894; the oldest in 1876.

In the days when the oldest of these men was beginning his career with the Connecticut Mutual, the company's assets were \$46,000,000; today they are over \$275,000,000. Insurance in force was \$187,000,000; now it is \$934,000,000. The Connecticut Mutual then had less than 50 employees and today it has over 500. One interesting change which these men have witnessed has been the entrance of women into business. Now, about 66 percent of the employees of the home office staff of the Connecticut Mutual are women while in the late 19th century only men were employed.

Dr. Charles D. Alton has been with the company the greatest number of years, having completed 60 years of service last March when he retired from active service as medical referee. B. W. Loveland, supervisor of claims, has been with the company 55 years; F. H. Hills, cashier's assistant, 48 years; F. H. Searle, assistant secretary, 47 years; J. J. Scott, supervisor of agents' contracts, 47 years; A. M. Hills, assistant secretary, 46 years; A. L. Searle, head of income contract department, 44 years; F. S. Forbes, auditor of agency accounts, 43 years, and C. P. Carter, supervisor of farm loans, 42 years.

share. "Compared to other mining properties now being developed, the Slave Lake shares should be selling at \$5 or \$6 a share right now," the company states. "If the ore goes to depth and maintains its richness, Slave Lake shares could go easily to \$25 a share."

"Taking a flier in the market seems to have an appeal to almost everybody. Under Mr. Earle's offer you can take a flier without any risk of loss to yourself and with the possibilities of substantial profits. Mr. Earle has purchased 2,000 shares of Slave Lake Gold Mines for \$2,500, that is \$1.25 per share. He will carry these shares until Dec. 31, free of charge to those who may secure options. If the market price advances, you get the profit, if the price goes down, Mr. Earle loses.

"What is the motive behind all this? Simply that the president desires above all things that the Montreal Life will close the year with more insurance in force than at any previous period of its existence. To accomplish that we need a minimum of \$1,750,000 of good new business in the two months. Two million would be better still and we can get that amount if every man in the organization will work early and late throughout the period of the campaign. Even if you made no money on the stock options, it will not hurt you to make extra commissions through the writing of a larger amount of business in November and December.

"The odds are all in your favor this time. It is an opportunity that comes rarely, to buy stock at a low figure, in a company that appears to own the richest gold deposit ever located in Can-

ada, with bigness combined with richness. There is a veritable pot of gold at the end of the rainbow and it will be your fault if you do not dip into it with both hands."

POLICIES

Great-West Continues Scale

The Great-West Life announces the continuation of its present dividend scale. In most cases, this will mean that, because of the policy duration being one year greater, dividends allotted to the individual policy will be somewhat larger than those at the last anniversary date. The company will also continue to pay interest at the rate of 4 percent on accumulated dividend funds and policy proceeds.

Dividend Announcements Made

The Crown Life of Canada announces a 20 percent increase in dividends. The Great Northwest of Washington, the Manufacturers Life of Canada, the Monarch Life of Massachusetts, the North American Life of Canada, Northwestern Union and the Sun Life of Baltimore will continue the same schedules for 1937 as were in effect this year.

Will Have Rate Changes

The Great Northwest Life of Washington, the North American Life of Chicago and the Standard Life of Mississippi will make rate changes in a short time.

Wants Commissioners Body Made Far More Cohesive

YETKA MAKES A SUGGESTION

Superintendent Pink, Chairman Executive Committee, Puts the Subject on Agenda for Discussion

ST. PAUL, MINN., Dec. 3.—When the National Association of Insurance Commissioners convenes at Hot Springs, Ark., the coming week the members will be urged to take some action to make the organization more cohesive.

Commissioner Yetka of Minnesota has made this suggestion to Superintendent Pink of New York, chairman of the executive committee, and he has agreed to put it on the agenda. He has written Mr. Yetka that he considers the suggestion a worth-while one. It is scheduled to come up at the first session of the committee.

Although Commissioner Yetka did not say so, it is generally believed that his proposal is the direct outcome of the Pacific Mutual Life affair. At any rate he believes the national association is not closely enough knit to handle emergencies when they develop.

The Minnesota commissioner, in company with Clyde Helm, secretary of the Insurance Federation of Minnesota, leaves late this week for Hot Springs, making the trip by motor.

Obsolescence Coverage Is Explained by Educator

PHILADELPHIA, Dec. 3.—Prominent Philadelphia insurance officials were present when Dr. Hans Heymann of Berlin lectured on property life insurance before the insurance class of Dr. S. S. Huebner at the Wharton School of Finance of University of Pennsylvania. Among those present were Frederick Richardson, managing director and United States attorney General Accident; John O. Platt, vice-president North America; J. V. Herd, vice-president Fire Association; C. T. Monk, president Philadelphia Insurance Agents Association, and C. T. Monk, Jr.

Dr. Heymann wants to form an insurance company to handle risk insurance to cover repairs and life insurance to cover against depreciation, obsolescence and deterioration of buildings, machinery, etc.

A bill has been laid before the committee for the 1937 New York insurance law revision to provide for insuring all kinds of buildings, including appurtenances against loss or damage, including loss of use by reason of depreciation and deterioration, caused by sinking of parts of the building, sub-soil water, cracks in ceilings, supporting walls, or pillars, leakage in roofing, etc.

He declared in the event of a fire obsolescence insurance would cover against the loss for depreciation only.

"The problem of mortgage guarantee insurance," Dr. Heymann said, "as well as the problem of mortgage banks cannot be solved in the present disorganized state of building construction and mortgage business. A complete reorganization of the financial part of building property must first take place.

"When this reorganization is carried out by the mechanism of property life insurance, only then one can begin the creation of mortgage banks and with rehabilitation of mortgage guarantee insurance."

Many Automobile Accidents

During the year ending Oct. 1, the Equitable Life of New York paid 325 ordinary death claims resulting from automobile accidents. During the same time it paid 702 death claims as a result of accidents of all kinds. The automobile accident claims constitute 46.3 percent of the total.

Marion, O., Manager Is Honored

Over 100 representatives of the Midland Mutual Life from all over Ohio attended a regional sales meeting at Marion, O., Friday in honor of the outstanding record of Charles E. Schaad, general manager in the Marion territory for the past 25 years.



CHARLES E. SCHAAD

Many citizens in this territory are now policyholders in this company as a result of Mr. Schaad's successful agency organization. Aside from the home office agency of Tice & Jeffers, Columbus, O., the Schaad agency has more policyholders than any other branch office.

Among others who attended the meeting were Mr. Schaad's associates from Akron, Youngstown, Cleveland, Toledo, Columbus, Dayton, Springfield, Lima and many other Ohio cities.

Among the representatives from the home office were Vice-president J. Chas. Rietz, Medical Director A. R. Stone, Manager of Agencies J. A. Hawkins, Superintendent of Agencies J. G. Monroe, and Assistant Manager of Agencies R. S. Moore. President George W. Steinman was prevented from attending by the convention of the Life Presidents Association being held this week in New York.

Social Security Act Discussed

The social security act and its effect on life insurance sales was one of the principal subjects discussed. It was the unanimous opinion that the act will increase life insurance and annuity sales by focusing the attention of 26,000,000 people on the necessity of providing for their families and themselves.

Mr. Hawkins paid a tribute to Mr. Schaad's successful efforts in building an agency to such outstanding proportions. E. P. Tice of Columbus, the first agent of the company, paid his respects to Mr. Schaad on behalf of the field forces. C. P. McPherson of Bellefontaine, O., general agent in the western Ohio agency, paid his respects to Mr. Schaad on behalf of the agency, Mr. McPherson being associated with Mr. Schaad from the early days of his connection with the company.

Mr. Hawkins presented Mr. Schaad with a check for \$25, a bonus awarded Mr. Schaad for being the first representative in the field to qualify for 1937 Leader Club beginning July 1.

Name Riehle New Head of National Life Underwriters

(CONTINUED FROM PAGE 1)

ception, Mr. Patterson is the only National Association president to resign his office. To fill the vacancy on the board of trustees caused by Mr. Patterson's withdrawal as a member of the National association, the trustees elected Harry T. Wright of Chicago. Equitable Life of New York and chairman of this year's Million Dollar Round Table.

Although observers have been predicting that Mr. Patterson would some day be appointed head of the Penn Mutual agency department they did not expect the appointment to be made until after he had completed his term as president of the National Association of Life Underwriters. They rather anticipated that he would go from the national presidency, at the end of the term, to the vice-presidency of his company, as did a fellow Chicagoan, S. T. Whatley of the Aetna Life, a few years ago.

Elevation of general agents to company ranks has been upsetting National association plans lately. Chester O. Fischer, general agent at St. Louis for Massachusetts Mutual, was being urged for vice-president of the association at the 1936 meeting, but prior to the convention he was elected a vice-president of his company.

The new setup improves very greatly the chance that Holgar Johnson of the Penn Mutual in Pittsburgh will be elected vice-president of the association at the Denver meeting. Some have felt that Mr. Johnson might not be eligible just yet, as his election would mean that two Penn Mutual men would follow in office rather closely. The fact that Mr. Patterson will have served only an abbreviated term would seem to remove that objection to early election of Mr. Johnson.

In addition to Mr. Whatley and Mr. Patterson, there is among company vice-presidents another former president of the National association, he being Frank L. Jones of the Equitable Life of New York.

Many Guests Present

NEW YORK, Dec. 3.—More than 100 home office officials, including many company presidents, also out of town general agents and managers were guests at the annual dinner of the New York City Life Managers Association. Among the distinguished guests introduced by General Agent Harry Gardiner of the John Hancock Mutual Life, president of the association, was Dr. Erik Wagner, director general of the Austrian Mutual Insurance Affiliates of Vienna. At the management conference in the afternoon the speakers were Agency Comptroller J. Harry Wood of the John Hancock and Managing Editor Paul Speicher of the "Insurance R & R Service."

Is Retiring



J. V. E. WESTFALL

J. V. E. Westfall, vice-president Penn Mutual, is retiring from that company. He is head of the underwriting department. He was formerly an official of the Equitable Life of New York.

A home which is comfortable and livable in 1936 may need an addition in 1944 and another extension in 1950. This can be done very easily if the original plans were well made. The Metropolitan tells more than 7,000,000 families in the December magazines,* how a Life Insurance Program offers similar opportunities.

The usability, the durability and at all times the flexibility of a sound Life Insurance Program which will meet present and future conditions will come almost as a news item to many persons.

Field-Men can show their prospects how to begin building a modest Program which will meet the known requirements of 1936 and may be enlarged to take care of possible contingencies in the years to follow.

*Business Week, Collier's, Cosmopolitan, Forbes, Nation's Business, Saturday Evening Post, Time.

METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, Chairman of the Board
Leroy A. Lincoln, President

ONE MADISON AVE., NEW YORK, N. Y.



G. F. Unger Named Chicago Manager Occidental Life

V. H. Jenkins, vice-president Occidental Life of California, announced appointment of George F. Unger as branch manager in Chicago. Offices are located in the Conway building.

Mr. Unger has been in the business 16 years, with the Equitable Life of New York. He served for 12 years as unit manager of the Warren Woody agency, Chicago, and the last year as its supervisor of salary savings.

I. C. Cunningham, superintendent of agencies, remained in Chicago after the Life Agency Officers convention to complete arrangements for the branch office. An agency supervisor, brokerage clerk, cashier and other personnel will be selected later. The Occidental has just entered Illinois, Indiana, Ohio and Michigan.

John E. Sullivan Reappointed

John E. Sullivan, veteran New Hampshire insurance commissioner, has been reappointed to that post. He has served through Democratic and Republican administrations, having been appointed first in 1923.

Symbol of Security

MONTREAL, Dec. 3.—Life insurance in Canada has become a symbol of security which is probably unsurpassed in any other country in the world, G. D. Finlayson, Dominion superintendent of insurance, said in an address before the Montreal branch of the Engineering Institute.

Clyde O'Neal Made Manager

The Mutual Life of New York announces the appointment of C. C. O'Neal to be manager of its agency at Pueblo, Colo. He will succeed H. B. Cadwell, whose appointment to be manager at

Moves Home Office to Evanston



H. R. KENDALL, Chairman of Board

The Washington National, which has been located at 1737 Howard avenue, Chicago, this week finds itself in its new quarters at 610 Church street, Evanston, Ill. Two of the big factors in this company are H. R. Kendall, chairman of the



GEORGE R. KENDALL, President

board, and George R. Kendall, president, being brothers. There will be a big silver jubilee agents convention in the new home office Dec. 14-16. The company will have open house the afternoon of Dec. 15.

Oakland, Cal., was announced. As one of the Mutual Life's leading personal producers at Pueblo, Mr. O'Neal has been consistently on the leaders' lists and a member of the national Field Club. He joined the Mutual Life as an agent at Pueblo in 1923.

Get **Reducing Your Taxes**, 50-page booklet, 50 cents. Order from National Underwriter.

Heavy Claim Loss Falls on Federal in "L" Crash

The Federal Life of Chicago had about 16 policyholders involved in the Chicago wreck in which a train of the North Shore Line crashed into a train of the Chicago Rapid Transit. All were insured under the Chicago "Tribune" \$1.25 accident policy. The Federal Life contract provides for top benefits for death in common carrier accidents. Four policyholders were killed, which means \$40,500 in death claims. About 12 were injured and the extent of the losses on this account are impossible to determine at this time. Apparently those injured were not as severely hurt as at first appeared.

The Washington National, which issues the accident policies for the Hearst papers in Chicago, it is understood had one loss and the North American Accident, which has the Chicago "Daily News" tieup, escaped without any loss.

Order a new **Little Gem** life chart, \$2, from the National Underwriter.

National Mid-Year Meet at Indianapolis, Apr. 16-17

NEW YORK, Dec. 3.—The mid-year meeting of the National Association of Life Underwriters will be held April 16-17 at Indianapolis, the trustees decided at a meeting. The trustees will meet April 16 and the national council on the day following.

Strong Influence Is Being Used to Appoint C. E. Gauss

LANSING, MICH., Dec. 3.—It is reported in political circles that some extremely influential figures in state Democratic circles are pulling wires in behalf of the appointment of former Commissioner C. E. Gauss to his old position by Governor-elect Murphy. It is understood that, despite the fact Mr. Gauss is now postmaster of Marshall, his home city, he would be willing to accept the commissionership if it were offered to him.

It appears that choice of either Mr. Gauss or of J. W. Mundus, Ann Arbor, immediate past president of the Michigan Association of Insurance Agents, would be entirely satisfactory to Michigan agents.

Ohio Stockholders' Petition

ST. LOUIS, Dec. 3.—Nineteen stockholders of the old Missouri State Life, all residents of Ohio, have filed a petition with the circuit court here seeking permission to intervene in the original receivership action brought against the company in August, 1933. Their petition is very similar to that filed last June on behalf of the Kentucky Home Life of Louisville, which owned about 30 percent of the stock prior to its insolvency. Both petitions seek to have set aside the court orders of 1933 under which the Missouri State Life was first placed in the hands of Superintendent O'Malley, and later its assets turned over to the General American Life under a management contract by Superintendent O'Malley. The nineteen stockholders claim to hold 6,115 shares of Missouri State Life stock. The company had 500,000 shares of stock outstanding at the time of the receivership.

President **Albert Short** of the Girard Life is back at his office. He was operated on at the Hahnemann Hospital in Philadelphia six weeks ago.

BROKERS AND AGENTS

CASH IN ON A NEW IDEA

Be first on the job with something new to talk about.

It will bring back the old "pep" and pay you

LIBERAL COMMISSIONS

Join a history making company

Learn about our strong financial structure

You Will Be Surprised to Know
What We Have to Offer

JAMES S. KEMPER, General Agent

GENERAL MUTUAL LIFE INSURANCE COMPANY

One North La Salle Street

Central 7443

ONE OF THE BEST RECOMMENDED COMPANIES

THE WEEK IN INSURANCE

A. E. Patterson, president National Life Underwriters Association, is elected vice-president Penn Mutual. Other changes made. **Page 1**

T. M. Riehle is appointed by trustees as president of National Association of Life Underwriters following resignation of A. E. Patterson. **Page 3**

Life Presidents annual meeting is being held this week in New York City. **Page 1**

Insured death rate increases this year, President Hall of Lincoln National Life reports in address at Life Presidents meeting. **Page 1**

Great distribution of life insurance institution reaches \$2,400,000,000 this year, with \$18,600,000,000 total to policyholders and beneficiaries since 1929, Chairman Kingsley reports at Life Presidents meeting in New York. **Page 3**

Life company investment survey given by President Guy W. Cox of John Hancock Mutual Life at Life Presidents meeting. **Page 2**

John J. King, president Hooper Holmes Bureau, gave a large dinner in New York City Wednesday evening in honor of President T. A. Phillips of the American Life Convention. **Page 9**

Pacific Mutual Life hearings believed to be nearing end. **Page 9**

No upheaval in New York sales picture foreseen from probable easing of state's ban on writing of participating business by non-par companies. **Page 4**

Recommendations on question of effect of incontestable clause on double indemnity provision discussed by Associate Counsel Kastner of A. L. C. at Life Counsel meeting. **Page 5**

Plans being made for the annual meeting of the University Teachers of Insurance Association in Chicago. **Page 16**

Sabbath Congressional Committee starts probe of life insurance receiverships and transfers. **Page 3**

Program is announced for "Chicago Day" celebration by Chicago Life Underwriters Association. **Page 15**

Definite ratio of cases closed to program presented makes large amount of clerical help for agents profitable to agency if kept on efficient basis. **Page 23**

Pacific Mutual Hearings Believed Nearing an End

CARPENTER PLAN ATTACKED

Various Points Brought Out by Opposing Forces in the Long Drawn Out Case

LOS ANGELES, Dec. 3.—It is thought that the hearing in the Pacific Mutual Life case will be closed next week. The hearings have dragged along to an interminable degree. Judge Willis has given all hands an opportunity to present their views.

This is the seventh week of the hearing. It is thought that probably the greater part of next week will be consumed before the case is submitted to the court.

Transamerica Proposal

The Transamerica proposal now makes no condition as to the payment of certain sums that heretofore were conditional. It takes the securities as of the value fixed in the examination report as of July 22. It will deliver the class A stock at once without any conditions. The first \$500,000 annual payment will be collateralized to provide immediate funds, and the second also will be collateralized at once if necessary for the same purpose.

Carpenter Plan Attacked

Intervening attorneys during the week developed their attacks on the proposed plan submitted by Commissioner Carpenter on the constitutional grounds of legal fraud and impairment of contract under the police power. One of the attorneys stated that if the court made an order approving the plan it would be in violation of the law and he contended the court was without jurisdiction. The attorney held that the plan is a liquidation, not a reinsurance or a rehabilitation. He said the plan meant that a legal fraudulent transfer of assets is to be made; that there is nothing in the insurance code giving the commissioner the right to own stock in any corporation.

An attempt was made by Attorney Overton to throw the hearing directly to the state supreme court. He moved that Judge Willis dismiss the present proceedings on the ground that the insurance code was unconstitutional and in contravention of the due process of law section of the 14th federal amendment.

(CONTINUED ON LAST PAGE)

M. J. Harrison to Be New Arkansas Commissioner

LITTLE ROCK, Dec. 3.—M. J. Harrison, assistant commissioner of insurance in 1919-1924 and commissioner in 1924-1925, is the choice of Carl E. Bailey, governor-elect, for appointment to the office when he becomes chief executive in January. The selection was officially announced in a statement relative to appointments.

Mr. Harrison is a native of Clarksdale, Miss., and received his education at Castle Heights School, Cumberland University and the University of Michigan. He began the practice of law in 1912 at Wynne and was Cross county representative in the legislature when he resigned in 1917 to enlist. He was commissioned captain and won the rank of major while in France with the 235th Field Artillery. On his return to the United States in March, 1919, he was appointed assistant commissioner and was advanced to commissioner in 1924. He resigned one year later to engage in the practice of insurance law at Little Rock.

Gus Wright, local agent of Paragould, is slated for appointment as state purchasing agent.

Mid-Year Meeting of "Ad" Men

NEW YORK, Dec. 3.—The necessity for merchandising insurance advertising was stressed by Arthur Fisk, Prudential, president of the Insurance Advertising Conference, at that organization's mid-year meeting in New York City. A general discussion on window displays was led by R. E. Brown, Jr., Aetna Casualty. Simplicity of construction, color, and humor are the principal requisites, he said. Frank S. Ennis, America Fore, said the advantage of providing window displays for agents is in creating good will and stressing the institution of insurance.

Members then separated into groups for discussions of interest to each with C. W. Smitheman leading the fire and casualty meeting and Stuart Benedict, Metropolitan Life, heading the life group.

Speaking after the luncheon were Alan A. Wells, business manager, New York "Woman," who discussed insurance advertising from the woman's viewpoint; O. A. Dickman, New York "Herald Tribune," speaking on typographic layouts and L. A. Hiller, Underwood & Underwood, who described the technique of taking photographs. The meeting was unusually well attended.

T. A. Phillips Feted at Large Dinner Given by J. J. King

MANY COMPANY CHIEFS THERE

Functions in Honor of A. L. C. Presidents Have Become Famous for Distinguished Menus

NEW YORK, Dec. 3.—John J. King, president Hooper-Holmes Bureau, was host at a dinner in honor of T. A. Phillips, president of the Minnesota Mutual Life and of the American Life Convention. There were some 65 other guests, most of them prominent in the insurance business, including a score of company presidents.

This is the fourth year that Mr. King has given a dinner in honor of the president of the American Life Convention. Those dinners have become famous for food that is the ultimate in excellence and distinction. There were no addresses, except for brief remarks by company presidents who were introduced by C. G. Taylor, Jr., second vice-president Metropolitan Life, who acted as toastmaster. A glee club sang Minnesota songs in honor of Mr. Phillips and small Minnesota state flags stood beside the plate of each guest, with a larger flag for the guest of honor.

Guests at the Function

Other guests included: Henry Abels, vice-president Franklin Life; Claris Adams, president Ohio State Life; O. J. Arnold, president Northwestern National Life; Clarence Axman, "Eastern Underwriter"; J. V. Barry, vice-president Life Extension Institute; J. A. Beha, general counsel National Bureau of Casualty & Surety Underwriters; Dr. J. Rozier Biggs, vice-president and medical director Union Cooperative; D. E. Bradshaw, president Woodmen of the World; C. F. Bryant, vice-president Hooper-Holmes Bureau; J. J. Cadigan, president New World Life; D. S. Craig, Metropolitan Life; W. H. Dallas, assistant vice-president Aetna Life; M. L. Denda, vice-president Postal Life; W. A. Dennis, chief claim adjuster Prudential; R. B. Evans, assistant to vice-president Colonial Life; Dr. C. V. Everitt, vice-president Preferred Accident; J. A. Farber, president Service Life; H. F. Gallagher, superintendent bureau of investigation Mutual Life of New York; George Graham, executive vice-president Manhattan Life; W. J. Graham, vice-president Equitable Life of New York; A. F. Hall, president Lincoln National Life; Isaac Miller Hamilton, president Federal Life; W. W. Head,

(CONTINUED ON LAST PAGE)

Exhorts Life Presidents to Support the Crusade

MESSAGE OF A. E. PATTERSON

Head of Life Underwriters Body Begs Executives to Invest in Improvement of Field Force

NEW YORK, Dec. 3.—One of the greatest problems facing the business today is improvement of the personnel of the field force, according to A. E. Patterson, Chicago, newly named vice-president of the Penn Mutual, who brought a message as president of the National Association of Life Underwriters to members of the Life Presidents Association in annual session here.

"With the reputation of our institution at this high peak, is this not the ideal time to attack with vigor and determination this whole matter of improving the distribution of our product?" he asked. "The members of the National association believe so, and sincerely hope that the time has arrived for definite action."

Much progress has been made in the past two years, he declared, but much remains to be done.

W. W. Jaeger, chairman of the better agency practices committee, assures the field that this agreement has the enthusiastic support of his committee, which has had another meeting this week in New York, Mr. Patterson said. Fifty-eight companies have signed and the field applauds their action. "We believe its good effect will be widespread," he asserted, "and look forward with confidence to the attempt of this committee to extend its scope, as companies more and more realize the advantage of this movement to each and every organization."

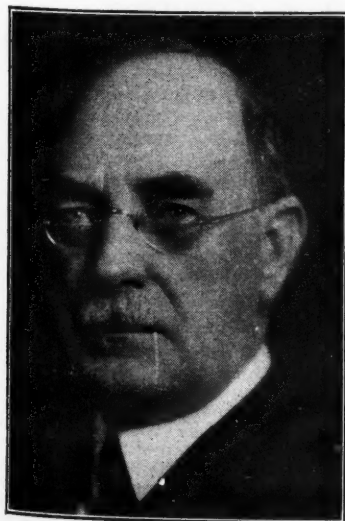
Worth While Results

"Is not," he asked, "the public's chief criticism of life insurance today, if not the only one, aimed at our methods of distributing our product? Has this not become the weak thread running through the fabric?"

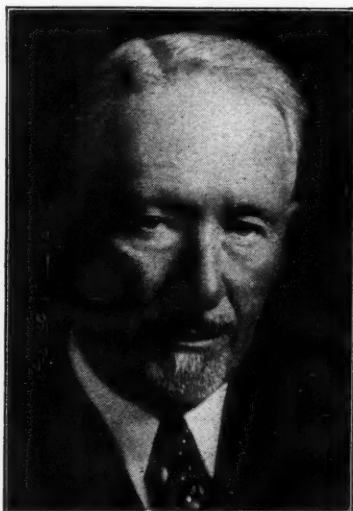
"Would not a constant and critical analysis of the agency force of each company during the next five years bring worth-while results? Would not the more careful selection of field representatives and the more thorough training of new appointees develop

(CONTINUED ON PAGE 10)

SPEAKERS AT THE LIFE PRESIDENTS MEETING



GUY W. COX
President John Hancock Mutual



ARTHUR F. HALL
President Lincoln National



DR. EUGENE F. RUSSELL
Medical Director Mutual Life



S. T. WHATLEY
Vice-president Aetna Life

Big Attendance at Presidents Rally

(CONTINUED FROM PAGE 1)

year is President T. A. Phillips of the Minnesota Mutual Life. Mr. King's dinners have achieved a wide reputation among connoisseurs of superb food.

Manager V. P. Whitsitt introduced President W. H. Kingsley of the Penn Mutual Life, chairman of the convention, getting the meeting officially under way. The reception committee is composed of 35 company presidents, headed by E. I. Low, chairman of the board of the Home Life of New York, as chairman, and Leighton McCarthy, president Canada Life, as vice-chairman.

Messages of Greetings

Messages of greeting were brought from their respective organizations, at the opening session today, by T. A. Phillips, president American Life Convention and president of the Minnesota Mutual Life; V. R. Smith, president Canadian Life Officers Association and general manager and actuary Confederation Life; and A. E. Patterson, president National Association of Life Underwriters and new vice-president Penn Mutual Life.

The hint that the proposed new Illinois insurance code, the draft of which has been completed, will contain a provision to divorce life insurance institutions very largely from the banking business, and the suggestion that this condition which has affected the value and frequently curtailed the life of policies be seriously studied by other states, was given in the Thursday morning session by Insurance Director Palmer of Illinois in his talk on sane insurance legislation. Such a step, he said, may be taken by changing the law which exposes companies to the cash and loan guaranties on their policies.

He asked whether legislation should be enacted which will allow a life company to sell a policy that protects the widow and orphan not only from loss of the breadwinner, but from his folly. Many life premiums, he said, are paid by the economy and self-denial of the wife and mother, and he feels steps should be taken which will assure her definitely the results she has a right to expect as a fruit of her self-denial.

Ask Several Questions

"Do you agree with me that the life insurance companies should be able, and would they be willing to issue a policy of life insurance that will be sure, where the premium would buy a life insurance policy and nothing else, where the values would be available to continue this policy in the event of economic stringency, and whereby the widow and the orphan would be sure to get the protection which they had paid for?" he asked. "Something should be done to place it beyond the power of the average man to rob the baby's bank, to remove this fund which has been sanctified by the toil and sacrifice of the average housewife from the assault of outside interests.

"Adequate legislation should be enacted in the several states which will permit life insurance companies to issue a policy which has the most liberal provisions for premium loans and extended and paid up insurance—possibly one that provides for practically 100 percent application of the reserve for such purposes, but is not subject to surrender for cash and on which that reserve is available only for premium loans.

Methods Are Suggested

"At the same time I would not prohibit companies from writing a policy with cash surrender values, but I would have such values based upon lower reserves produced by assumption of a higher interest rate or by application of a compulsory minimum surrender charge. If a man wants you life insurance folks to act as his banker and you are willing to do it, that is all right, but certainly he should pay for the

banking privilege. If he wants to have the advantage of a savings account combined with his life insurance, why should you pay him more interest on his savings account than the conservative banking institutions of this country will pay?

"I firmly believe that the time has come when the states by law should encourage the divorcement of the life insurance business from the banking demand. Let the wife and mother know that when she sends a premium to the insurance company she is accumulating a fund for herself and for her children, and for nobody else."

St. Louis Banker Speaks

Tom K. Smith, president American Bankers Association and head of the Boatmen's National Bank, St. Louis, commented that banking and life insurance face the future together; there is no conflict between the two institutions. The savings of American people in life policies and bank deposits must be usefully employed, which can be done only by investing the funds in securities of American business. The two institutions have a powerful stabilizing effect on the political life of the nation, he said. The prevailing low interest rates are of concern both to insurance men and bankers. Points to watch in the government economic planning are its activities in the field of banking and insurance on a major scale. He emphasized government lending agencies must relinquish as much of their work as can be performed by existing lending agencies. The necessity for the emergency relief has ended.

Afraid of Speculation Trend

Mr. Smith warned that the country is entering a period of economic expansion which may culminate in another boom. Inflated prosperity may cause the average American to gamble and no longer be satisfied with the conservative return on insurance or savings.

Chester I. Barnard, president New Jersey Bell Telephone, Newark, discussed the uncertainty of the future, stressing the principles of provision necessary to life; conservation, prevention, flexibility and pooling of risks in planning for the future. He said maintenance of efficiency of business management is perhaps the most important single element in social welfare.

The last great fundamentals of civilization must rest in the judiciary, Alva

M. Lumpkin of Columbia, S. C., board chairman of the American United Life, Indianapolis, said in his talk on "The Law and Courts." A review of legal history showed that lawyers stand for protection of human rights, justice, law, order and constitutional government, he said. Without an independent judiciary, the moral and material progress of the country would be seriously jeopardized. Mr. Lumpkin criticized the efforts since 1918 to save in state and national governmental appropriation by reducing salaries of judges, involving federal and state constitutional provisions. This, he said, strikes at fundamental constitutional inhibitions which fix forever independence of the judiciary. He spoke against election of judges by the people; he feels trial and appellate court judges should hold office for life or during good behavior. Mr. Lumpkin noted rules of simplified court procedure worked out by the United States Supreme Court which he expects to be made effective within the next year and which will simplify and shorten the legal process in federal courts throughout the country.

Railroad President Talks

Samuel T. Bledsoe, president Santa Fe railway, discussed the future of American railroads. Most of their problems are legislative, he said. He noted continuous increase of passenger and freight traffic, greater industrial activity and improved purchasing power. There seems to be no doubt that railroads will enter a prosperity period with industry and agriculture.

L. D. Coffman, president University of Minnesota, spoke on education and public service. An issue of better government has arisen, he said; it is of profound significance. Fears that America may "yield to the plague of communist or fascist dictatorships," he said, although not to be ignored, are based largely upon misapprehensions of the true sources of American difficulties. The principle of self-government cannot easily be overthrown in this country.

Life Insurance Brings Timely Assistance to U. S.

(CONTINUED FROM PAGE 3)

present time, is almost half again as large as it was in 1925. It is more than four and one-half times as large as in 1915, and has nearly multiplied by eight since 1905.

"The statistics which I have presented are a tribute to the American people. Through their vision in antici-

President Patterson to Confer With Jos. Futz

EIGHTY-FOUR, PA., Dec. 3.—Joseph Futz, dynamic life underwriter, has received an invitation from President A. E. Patterson of the National Life Underwriters Association to meet him at Pittsburgh for important executive conference Dec. 7 at the luxurious William Penn Hotel. President Patterson assures Mr. Futz that he will charge his expenses up to the National Association of Life Underwriters. He desires Holgar J. Johnson, general agent Penn Mutual Life, to sit in the conference and have Mr. Futz explain in detail the seven point program he has recommended to President Roosevelt to clean out the life insurance underbrush and bring an entirely new day in that industry. President Patterson notified Mr. Futz that he has had Suite 516 reserved for him which has a combination bedroom and sitting room, closet bathroom and servitor.

In the evening will be the big jubilee banquet of the Pittsburgh life underwriters at which the most distinguished executives in the country will be present and Mr. Futz has notified his policyholders that he will meet the most eminent of them, confer with them and will return to Eighty-Four with the greatest possible knowledge to be gained and will be in a position therefore to give the best advice. He has written to President Patterson stating that he will be glad to speak at the banquet, pay a tribute to Mr. Patterson and Holgar Johnson and inform the audience as to his relationship with the White House and the program he has recommended. He also states that he is very close to Hon. Hunt, insurance commissioner, and Harry Wright of Chicago, former chairman of the Millionaires Around the Table.

pating the needs of the future, and their willingness to sacrifice in order to meet them, they have created these resources and have made possible a tremendous economic service to the nation. These figures tell a story of individual responsibility and thrift that leaves no doubt as to the persistence of the fundamental quality of American foresight, and the usefulness of life insurance in translating it into tangible results."

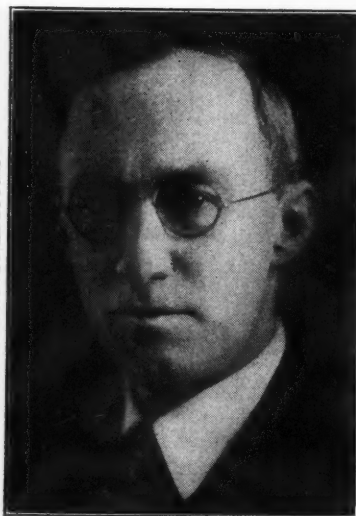
A. E. Patterson Is Company Official

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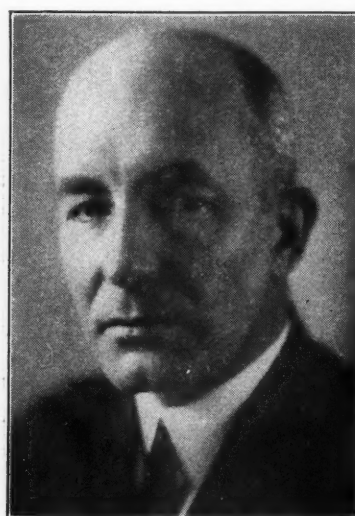
Malcolm Adam joined the home office staff in January, 1911; then was successively assistant supervisor of death claims and registrar, associate supervisor of death claims and registrar, supervisor of applications and death claims, and January, 1931, elected assistant vice-president in the underwriting department. A member of Philadelphia bar for many years and several years lecturer on life insurance law at Temple University Law School, Philadelphia. Recently he completed a year as president of Home Office Life Underwriters Association.

Mr. Patterson was elected president of the National Life Underwriters Association at its last meeting. He started with the Edward A. Woods Co. at Pittsburgh, became manager of one of the Equitable's agencies in New York City, was shifted to Chicago to head its most important office there. Later he joined the Penn Mutual and is general agent in Chicago.

Life Presidents Speakers



ERNEST PALMER, Springfield, Ill.
State Insurance Director



ALVA M. LUMPKIN, Columbia, S. C.
Chairman Board United Mutual

Committee Quizzes Insurance Deals

(CONTINUED FROM PAGE 3)

of bondholders by "protective committees," it appeared to be seeking evil in the life insurance reorganizations, rather than in the practices that resulted in insolvency. In the Missouri State case, despite a hostile start, the committee seemed won over to a conviction that a fine job of salvage has been done and the interests of the policyholders are now in trustworthy hands.

Head Inspired Confidence

W. W. Head, president of the General American, was on the witness stand all of the first day until 6 o'clock. His steadfast answers to all sorts of questions and innuendoes seemed finally to win the confidence of the committee and even of J. P. Sullivan, the interlocutor. Messrs. Head and Sullivan apparently had mixed up rather heavily in the investigation preceding the hearing and at the start both were truculent. President Head was taken over the events leading up to the organization of the General American and the signing of the reinsurance contract. It might be said he was taken over and under and across and around them. He protested repeatedly at having to answer a question so many times. In addition, Sullivan's questions frequently misstated the situation, either carelessly or as part of his art of cross examination. The feeling between them and the committee's hostility to volunteered explanations, caused endless re-statements. Twenty minutes in a friendly atmosphere, and with questions that would bring out the facts, would serve to put into the record all the information developed in the long session from 10 o'clock in the morning to 6 at night.

Harm and Injustice Seen

The harm and injustice of the investigating system of hearing only the prosecution was demonstrated on almost every point that came up. The inquisition would start off with sensational innuendoes in the questions and intimations of evil. Then as the facts were slowly allowed to come out, it would be seen that the case was one of self sacrifice or fine integrity or notable achievement for the policyholders. The volatile "Jim" Sullivan, distinguished chiefly for some peculiar life insurance ideas and enthusiastic belief in himself, would start off as if he had something big. His heart, however, is better than his head, and the scene would end with his apparently frank and cordial recognition of the essential integrity of the transaction.

This refers of course to the reorganization, which was the main object of the inquiry. There are, however, some spots in the record previous to the reorganization, of the sort which the committee is aiming to correct. There was read into the record, in the form of categorical questions which the witnesses were not expected to answer, much "evidence" relating to matters on which the witnesses had no information.

President Head's Testimony

Under questioning President Head told of various offers and suggestions he had received regarding the presidency of the Missouri State Life while he was still president of the Foreman State Bank in Chicago. Later he went to New York and became connected with the Equity Corporation and its affiliates, headed by D. M. Milton, who is a son-in-law of John D. Rockefeller, Jr. In the spring of 1933, when he was with the Equity Corporation, Mr. Head was approached by W. T. Nardin, the president of the Missouri State Life, with the hope of getting capital to save the company. Mr. Head spent much time in investigation of assets and liabilities to see what could be done. In June of that year he secured the incorporation of the General American Life at Carthage, Mo., so as to be ready for what might happen. This was two months before the receivership, on Aug. 28, 1933. The capital was \$500,000 and paid in surplus \$1,500,000, but these

sums were not paid in until a day or two before the court awarded the Missouri State to the General American on its offer.

Much time was spent on the terms of the reinsurance and the amount of the lien. The fault of the reinsurance system was shown in the fact that the stockholders are unable to take down any money until the liens are worked off and the policyholders even repaid their interest on the liens, with compound interest on the interest. The fact that the General American got a \$150,000,000 company with \$2,000,000 cash seemed a marvel to the committee. The fact, often repeated by the witnesses and even by its own investigators, that the assets were balanced by liabilities did not seem to register. Injustice was done on this point in another respect. The mutualization plan calls for the purchase of the capital stock by the policyholders at \$60 a share, or \$3,000,000 for the 50,000 shares. The par is \$10, and a \$60 return caused amazement. Both the investigators and the committee dwelt on the fact that the stockholders would take down \$3,000,000 without having spent any of their own money. The fact that the stockholders spent \$2,000,000 of good cash on their ability to rescue the company and repay liens and interest, and will get back only \$1,000,000 profit above the amount they have put in, and then after 20 years, was almost unnoticed. The fact that the lien was quickly reduced \$12 on the \$100, and will be reduced \$20 more at the end of this year on the \$100, was a stubborn fact that the committee and investigators did not seem to know exactly what to do with.

An attack was attempted on Mr. Head's qualifications as chief executive of a large life insurance company. This merely brought out the fact that for 10

years in St. Joseph, Mo., he was an officer and a large stockholder of the American Union of Life of St. Joseph, that while president of the Omaha National Bank he was a member of the board of the New York Life and member of its executive committee and production committee, while of course his banking history was a wonderful qualification for the financial end of the job.

His \$35,000 salary and position as voting trustee also started off as a sensation, but petered out when it developed that he gave up salaries exceeding \$70,000 a year to go to St. Louis, staking his own future on the company and taking an option on some of its stock instead of a salary comparable to what he had been getting.

Flattering Offers Declined

Mr. Head was the only one who brought out the fact that the policyholders had suffered their losses before the company was reinsured, instead of after, but under the policy of discouraging volunteer remarks the point was not emphasized as it might have been. Mr. Head also revealed that he has lately declined an offer of more than twice the salary he is getting, and that a similar flattering offer to S. W. Souers, executive vice-president, was declined by Mr. Souers on Mr. Head's personal request. The Sullivan ego amusingly came to the surface in this connection. Mr. Sullivan intimated that a \$35,000 salary would be acceptable even to him, with the implication that of course it was pretty good for Mr. Head.

Superintendent O'Malley Heard

The evening session was held for the accommodation of Superintendent O'Malley of the Missouri insurance department who had to leave for important matters back in Missouri. An amusing situation developed at the start. Chairman Sabath of the committee, possibly mindful of the Sullivan attitude during the day, gave him a gentle warning to treat the witnesses with respect. Mr.

O'Malley had no desire for respect or anything else from Mr. Sullivan. He opened with a vigorous denunciation of the interlocutor, who wrote a series of articles in a St. Louis newspaper on the reinsurance deal. Mr. O'Malley declined to answer questions from Mr. Sullivan, suggesting that they be asked by anyone else, but finally calmed down and by 11 o'clock one would have thought he and Sullivan were buddies.

Subject of Lien Brought Out

Mr. O'Malley seemed to have been called mainly in regard to the amount of the lien. The emphasis on this point was perhaps typical of the proceedings. The policyholders are to be paid back their liens, as fast as the assets recover in value or the earnings permit the removal of their charge. Yet the fact that the lien was considerably more than the impairment, and that the estimates on the impairment varied from \$14,000,000 by the convention examiners to \$22,000,000 by the Missouri examiner and \$29,000,000 by Mr. O'Malley himself, was made much of. Mr. O'Malley vigorously defended his own estimate of the impairment at \$29,000,000 and asserted that even then he thought the valuations on some of the assets were too high. He gave specific instances. He also pointed out that liens could not be placed on group policies, or effectively placed on term policies, while none could be placed at all on policies registered with the state of Missouri and protected by specific assets. The lien amounted to about \$32,000,000. Considerable was made also of the fact that the larger the lien the larger the interest collection from the policyholders, with complete indifference to the fact that the interest must be repaid to the policyholders before the stockholders can take down any money.

Young Director on Stand

J. Rockefeller Prentice, Chicago, a director of the General American, was called to tell about his transactions in the stock of the company. Mr. Prentice is a grandson of John D. Rockefeller and his cousin is married to David M. Milton, of the Equity Corporation, which furnished the money for the General American's capital and paid in surplus.

Mr. Prentice is 34 years old and became a director in January, 1934, and a member of the executive committee in March, 1935. He bought one qualifying share when he became a director. In March, 1935, at the suggestion of Milton, who thought all directors should be financially interested in the company, he bought 500 shares for \$21,300. In March, 1936, he sold 331 shares at the time the Southwestern Life interests bought 90 percent of the stock. His original purchase was made with money borrowed from a bank in Newark, N. J., to which he gave his note for the entire amount. When the 331 shares were sold the selling price at \$60 per share was applied on his Newark note, leaving a small balance due. Since then he has taken up the loan in Newark and his 169 shares are now held as collateral by the Harris Trust & Savings Bank, Chicago, on an amount equal to the balance of the original purchase price.

Payments to Directors

Mr. Prentice receives \$25 and traveling expenses for each meeting of the board of directors or the executive committee that he attends. This was estimated to amount to about \$700 per year. In addition each director is paid \$700 a year, besides the fees. Mr. Prentice is employed by Cutting, Moore & Sibley of Chicago, who are attorneys in that city for the General American. Besides this Mr. Prentice did some work in looking over some cotton farms for the company, for which he was paid \$500.

Mr. Milton of the Equity Corporation is one of the witnesses the committee has not been able to reach without a subpoena. At one of the sessions a telegram was received saying that Mr. Milton was at Washington in attendance on the securities investigation of the Equity Corporation, but an attempt was to be made to get him to Chicago for a hearing Saturday morning.

The Southland Life
Extends All Good Wishes
to
**THE LIFE PRESIDENTS
ASSOCIATION**
In Annual Meeting
New York—December 1936
•
**SOUTHLAND LIFE
INSURANCE COMPANY**
HARRY L. SEAY, President
HOME OFFICE . . . DALLAS, TEXAS

EDITORIAL COMMENT

Pittsburgh's Big Gatherings

PITTSBURGH is able to attract attention insurancewise when it promotes gatherings of unusual nature. For instance, the PITTSBURGH LIFE UNDERWRITERS ASSOCIATION will celebrate its golden jubilee Dec. 7 and it already has insurance executives from all sections promising to be present. That shows that Pittsburgh life insurance men are a drawing card and wield much influence. Similarly the PITTSBURGH INSURANCE CLUB every February has a meet-

ing and banquet attended by fire and casualty executives and other notables that only go to what might be termed imperial gatherings.

Pittsburgh has always taken high rank when the caliber, ability and aggressiveness of its local fraternity is concerned. These memorable occasions always draw the flower of the business to Pittsburgh. The meetings are carried out with strategy and the mechanics are ever in running order.

Importance of Personnel Attitude

A. M. BEST, in a talk before the CLEVELAND INSURANCE BOARD, gave some of the mechanics of analyzing the financial statement of an insurance company. In his formula he referred to the necessity of scrutinizing very carefully and acutely the personnel of a company. The personnel, of course, reflects the policy of those responsible for the management. This would hardly be termed an intangible asset because the spirit and motives of the personnel can be ascertained.

If there is any doubt as to the integrity, sound judgment or purpose of the management then the standing of that company is more or less questioned. We probably do not take into consideration as far as we should this very important element as to motives influencing the management, its attitude toward the business as a whole and to the policyholders or stockholders, whether there is

the proper sense of trusteeship exhibited and acknowledged. Often a company gets the reputation of doing unwise things, of pursuing a course that is dangerous. This indicates certainly, lack of good, sound business judgment.

It will be well for all of us to study very carefully those factors that have entered into the making of companies permanent. What have been the programs of the old companies? What has been back of these companies in the way of management? What attitude have the executive officers shown toward the company, the stockholders and policyholders? What has been their relationship with agents? What sort of agents have they attempted to secure? These are vital questions in our opinion in estimating the standing of a company and these factors certainly enter into its financial structure.

The Real Measure of a Cooperative

THOSE who are interested in the development of consumer cooperatives will be interested in the comment on the subject in the NOVEMBER issue of the CONSUMERS' RESEARCH BULLETIN issued by CONSUMERS' RESEARCH, INC., of WASHINGTON, N. J. This is the organization that undertakes to appraise the worth of the various products in the interest of the consumer and to assign ratings to the various products. Permission to mention this material has been obtained from CONSUMERS' RESEARCH.

This organization makes the observation that the consumers' criterion for judging all social or economic systems is their readiness and competence to supply, at reasonable cost, appropriate kinds and qualities of goods and services which constitute a standard of living that is desirable.

CONSUMERS' RESEARCH has come to the conclusion that the various known and tried forms of collectivism have failed to function effectively or satisfactorily for

consumers. Collectivist systems so far tried or proposed, according to CONSUMERS' RESEARCH, have been distinguished for their insensitiveness to and their intolerance of free, independent criticism, yet from the consumer's point of view, his safeguards are all destroyed when free criticism of goods and services is stifled. Although vast quantities of inferior products have been produced under the system of free, private and competitive enterprise, yet private enterprise has the capacity to produce appropriate quality, in abundance, if subjected to a constant fire of consumer analysis and criticism.

During the past two years, CONSUMERS' RESEARCH states that it has investigated consumers' goods produced or sold by co-operatives in ENGLAND and SWEDEN and products made under the COMMUNIST regime in RUSSIA. Some of the most worthless patent medicines, according to CONSUMERS' RESEARCH, sold by appeal to superstition and ignorance that have been in disfavor or illegal in the UNITED STATES

for 20 years, are sold by the followers of collectivism. Comparative tests of ENGLISH and SWEDISH cooperative razor blades showed them to be distinctly inferior to well known American makes. Eight brands of RUSSIAN soap failed to meet U. S. federal specifications for good toilet soap. The low quality and marked scarcity of consumers goods in fascist GERMANY and ITALY are a matter of common knowledge.

Consumer cooperatives will probably neither rise nor fall upon theoretical considerations of system, but upon ability or lack of it to attract the buyer by price, quality, and not the least by character of the market place. CONSUMERS' RESEARCH seems to be a disinterested critic. Apparently the much vaunted foreign cooperatives don't offer a pattern that can compete with what the established American merchant offers.

Conservatism in Investments

ONE concluded after listening to the series of papers before the NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS' annual meeting at St. Paul, which were excellent in every respect, that most of all a life company needs a conservative investment policy. There is always danger when a company runs to any one particular form of investment and becomes top

heavy, because no one can tell what conditions may affect any particular form of property. Those companies have fared the best during this time of trial that have pursued an even course, adopting diversification not only as to classes but to investments in a class. Above all, conservatism along investment lines is highly needed.

PERSONAL SIDE OF BUSINESS

E. S. Villmoare, vice-president of the Kansas City Life, who has been away from the office for several months on account of illness, is now able to be at his desk for several hours each day. He underwent an operation and for a time his condition was critical.

The General Agents Association of Albany, N. Y., gave a dinner in honor of **Paul Adams** of the Bankers Life of Iowa, who has been promoted to his home office. He is a member of the executive committee and is a director of the Albany Life Underwriters Association. His agency force also gave him a dinner.

Bert A. Hedges, Kansas manager Business Men's Assurance, Wichita, has been named chairman of the Americanism committee of the Wichita American Legion by Commander Craig G. Kennedy, who is with the Northwestern National Life.

Logan Thayer, district agent Reliance Life, Wichita, Kan., has been again named scout commissioner for the Wichita area of the Boy Scout Council.

A. C. Louette, vice-president and agency manager of the People's Life of Indiana, was the principal speaker at the annual luncheon of the Traffic Club of Memphis.

Mrs. Henry S. Nollen, wife of the president of the Equitable Life of Iowa, was awarded a cruise to Peru in a contest at the Junior League annual charity ball in Des Moines.

W. M. McConnell, well known in the life insurance field, has been named vice-president of the Northwestern Life & Accident of Seattle. He was vice-president and general manager of the former Western Union Life of Spokane, which was reinsured by the Sun Life. Later he was a general agent in Portland, Ore., and Walla Walla, Wash. He had his first life insurance experience

in the south and middle west. The Northwestern Life & Accident, which writes accident and health insurance exclusively, will soon expand into several western states, President T. C. Brownlee states.

Mrs. Alfred MacArthur, whose husband is president of the Central Life of Illinois, has been in a hospital in Cleveland for some time and last Saturday underwent an operation there. Mr. MacArthur has been going to Cleveland from Chicago every other day.

Heber J. Grant, president Utah Home Fire and Beneficial Life of Salt Lake City, and one of the most prominent western insurance leaders, spent several days in Chicago in connection with interests of the Mormon church of which he is president. He officiated in a program during which a new "stake" was set up in Chicago.

J. J. Gallagher, treasurer of the Home Life of Philadelphia, is bereaved because of the death of his son, J. J. Gallagher, Jr., in an automobile accident near Camden, N. J. Young Gallagher was 18 years of age.

Young Gallagher was killed while riding home from the Newman School, Lakewood, N. J., for the Thanksgiving holiday. He was riding in his father's car with three school companions. The car skidded on the Marlton pike, just outside of Camden, and crashed against a telephone pole, and then turned over.

Max Harmelin, general agent of the Manhattan Life in New Jersey, has been reelected president of the Hebrew Orphans & Sheltering Home in Newark.

Herbert L. Davis, 1859 Newton street, N. W., Washington, D. C., who was formerly insurance superintendent of the District of Columbia and is now in the government service, will soon bring out his new book, "Insurance and Banking—Examinations and Accounting." The treatise will be off the press in about



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three weeks. Appropriate space has been devoted to a discussion of the fundamentals of life insurance and convincing reasons for its stability as represented by well established companies. The responsibility of the agents to the public, the detection and rejection of spurious claims, approved practice and procedure in conducting convention examinations and many other topics are discussed.

Insurance men played a big part in putting over the annual community chest campaign in **St. Paul, Minn.**, this year. E. A. Roberts, vice-president and general counsel of the Minnesota Mutual Life, was general chairman, and E. N. Oistad, manager Guardian Life, and John L. McBean, Sun Life of Canada, also assisted.

Vice-presidents **Joseph C. Behan** and **Chester O. Fischer** of the Massachusetts Mutual Life recently returned from a trip to the midwest which included a meeting in Chicago with the executive committee of the General Agents Association of the company to discuss plans for the annual meeting to be held in Miami Jan. 11-13. Mr. Fischer visited the Peoria, St. Louis and Milwaukee agencies.

Miss Kate Smith, well known radio singer, and her party of six from New York City were entertained by the Pilot Life's president, Emory C. Green, and Mrs. Green during the singer's tour of several North Carolina cities. Mr. and Mrs. Green entertained at luncheon at Sedgefield Inn at Greensboro for Miss Smith's party and about 16 guests. Appropriate hand-drawn place cards showed the famous "Kate Smith moon" coming over the mountain, which was, incidentally, the renowned Pilot Mountain, emblem of Pilot Life.

J. H. Lithgow, general manager Manufacturers Life, has been elected president of the Dominion Mortgage & Investments Association which deals with investment problems common to life insurance, trust and loan companies in Canada.

W. H. Ramsey, 75, one of the organizers of the Ohio State Life and a director from its organization more than 30 years ago, died at his home in Alliance, O. Representatives of the company in attendance at the funeral included President Claris Adams, Dr. C. E. Schilling, vice-president and medical director; Frank L. Barnes, agency vice-president, and Directors R. T. Crew, Columbus; Hector Young, Marion, and F. M. Knapp, Bellevue.

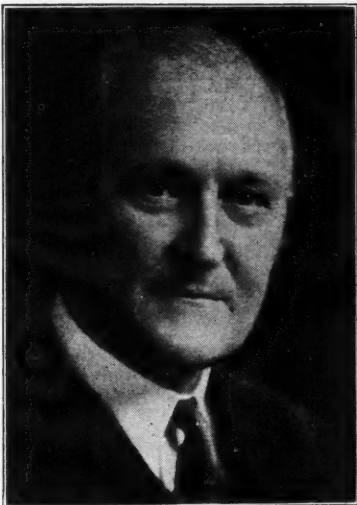
Commissioner **H. E. McClain** of Indiana has returned to his office at Indianapolis after a stay of several weeks in a hospital at Grand Rapids, Mich., where he underwent an operation. He declares that he feels better than he has for several years and is resuming his activities with zest.

Miss Olivia Orth, daughter of Mr. and Mrs. Michael Orth, Jr. of Milwaukee and **Edwin Shields Hewitt** of Hartford, son of Mrs. James P. Hewitt of Des Moines, were married Friday evening. The ceremony took place at the home of Mr. and Mrs. Earl Irving Custin, Evanston, Ill. Mr. and Mrs. Hewitt will make their home in Hartford.

Miss Orth graduated from the Bradford Academy at Bradford, Mass., and the University of Wisconsin. She has received wide recognition in the life insurance business during recent years for her work in producing insurance dramas at life insurance conventions and meetings throughout the country.

Mr. Hewitt's father was the late Judge James P. Hewitt, formerly president of the National Life of Des Moines. Following two years at the University of Arizona, Mr. Hewitt attended Grinnell College, where he graduated. Until 1934 he was with the Northwestern Mutual Life, first in the home office and later in the Milwaukee agency. For the past

Honored by London Life People on Retirement



J. F. MAINE

In commemoration of 42 years of service with the London Life, and marking his retirement under the company's retirement plan at the end of November, J. F. Maine, agency executive, was tendered a complimentary dinner by the directors, officers and department heads. Mr. Maine was presented with two paintings. The presentations were made by Edward E. Reid, vice-president and managing director, assisted by F. B. Size of Windsor.

Speaking for the industrial sales organization, J. J. McSweeney, city manager, Toronto, and Joseph Vivian, city manager, Brantford, paid tributes to Mr. Maine. J. G. Stephenson, assistant general manager and superintendent of agencies, spoke of the difficulties of the earlier days and declared that Mr. Maine's achievement had been outstanding.

Mr. Reid, who presided, traced the history of the company.

Mr. Maine entered the service of the London Life as an industrial agent in Chatham in 1894. In 1910 he became superintendent of industrial agencies and in 1935 was appointed agency executive. For the past three years he has been chairman of the Industrial Section of the American Life Convention.

He is a past president of the London Rotary Club, was a member of the London board of education for four years and chairman of the relief commission in 1935. At present he is chairman of the advisory board of the War Memorial Sick Children's Hospital in London.

two years, Mr. Hewitt has been agency assistant of the Connecticut Mutual Life.

Dr. J. B. Young, medical director of the Indianapolis Life, accompanied by Mrs. Young, has completed a tour of the company's Texas agencies. Combining pleasure with business, he spent two days with Bruce Veazey, San Antonio agency manager, on a fishing trip to Corpus Christi, Tex.

Houston Wants '38 Meeting

At the meeting of the Life Underwriters Association of Beaumont, Tex., President Charles M. Carroll expressed the belief that the 1938 convention of the National Association of Life Underwriters is likely to be held in Houston. This is the first indication that Houston intends again to make a bid for a national convention. That city has sought the convention for the last two years, but lost out each time. There has been no official word as to whether the city would make a bid for the 1938 meeting.



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A MUTUAL COMPANY • ESTABLISHED 1860
50 UNION SQUARE NEW YORK CITY

"best opportunity in the field"

An exact copy of part of a letter received from an agent who recently joined us.

"In the meantime I have been carefully studying the manual and some of the literature and I am certainly sold on the Company and its policies.

"I think this Company now offers the Salesman the best opportunity in the field, and I am speaking from a long experience in the business.

"I certainly expect to put this part of the State on the map for the Bankers Mutual Life Company."

Yours very truly,

I. B. D.

BANKERS MUTUAL LIFE CO.

FREEPORT, ILLINOIS

Founded in 1907



Going Places

With...

**THE OHIO STATE LIFE
INSURANCE COMPANY
COLUMBUS, OHIO**

NEWS OF THE COMPANIES

Report on Pilgrim National

Some Points in the Illinois Department Examination Are Presented by Auditor G. L. Lutterloh

In connection with the Illinois department report of the Pilgrim National Life of Chicago, a mistake was made in saying that "settlement of claims except those on certificates assumed from mutual benefits by reinsurance, have been satisfactory." The report said "settlement of claims except those on certificates assumed from one mutual benefit association by reinsurance, have been satisfactory."

Auditor G. L. Lutterloh calls attention to a paragraph from the report which says, "It is apparent that many controversial differences have arisen in connection with the adjustment of claims incurred under mutual benefit certificates assumed by reinsurance, and in each such case reviewed it was noted that all settlements have been made in the strictest accordance and interpretation of the limited provisions contained in the respective policy certificates."

Comment in Claim Settlements

Mr. Lutterloh states that in the case of the one mutual benefit, reinsured a number of certificate holders wrote to the department concerning claim settlements, involving claims incurred prior to date of reinsurance. The "controversial differences, to which the examiner refers," said Mr. Lutterloh, "are due to the fact that the members of these various organizations continued to pay the same premium they had paid in the past, and yet received the assumption certificate from the Pilgrim National for an amount of insurance that this premium payment would purchase at legal reserve rates. The amount each member would receive for his premium payment was known to him before he was asked to vote on the issue, as a copy of the proposed contract, including the rates at all ages, was mailed to each certificate holder in advance. "Every claimant was paid the full amount the reinsurance contract provided," said Mr. Lutterloh. The examiners included in their report \$1,852.60 as the maximum liability under these claims unpaid, at the time of the audit, which was made in February of this year. These claims have been settled long since, said Mr. Lutterloh.

American Life Convention Now Has 140 Members

The Texas Prudential of Galveston, which has joined the American Life Convention, makes 140 companies now in that organization. The Texas Prudential was organized in 1910 as the First Texas State. I. H. Kempner, president, for a number of years was president of the United States National Bank of Galveston, president of the Imperial Sugar Company and at one time was a member of the executive council of the American Bankers Association. The Texas Prudential writes both ordinary and industrial on the non-participating plan and also writes accident and health on both the ordinary and industrial plans. S. E. Kempner, active vice-president, is a member of H. Kempner, Inc., bankers and cotton exporters.

Remodels New Home Office

Grand National Life of Dallas is improving the eight story structure, formerly known as the Central Bank building, which it now owns. Grand National is spending about \$25,000 in remodeling. Its investment in the building will exceed \$500,000 when the work is completed.

High Praise for Pilot Life

Insurance Commissioner Boney of North Carolina Tells About the Results of the Examination

Commissioner Boney of North Carolina has written President E. C. Green of the Pilot Life of Greensboro, N. C., following the convention examination of the company by North Carolina, South Carolina and Virginia. This was the regular triennial examination. Commissioner Boney told President Green that the Pilot Life "has enjoyed a very steady and conservative growth, has increased its insurance in force and assets materially since the examination three years ago." It has assets as of June 30, \$15,872,936, valued upon a conservative basis. Commissioner Boney says, "The present financial condition of your company is excellent. The report shows that the treatment of policyholders has been fair and equitable and that your obligations have been met promptly."

For the 12 months ending Nov. 1, the Pilot Life has shown 9.4 percent gain of insurance in force and has sold the largest volume of new insurance in any 12 month's period in its history. Its insurance in force is now \$114,060,874.

Illinois Department Makes Report on Examinations

The Illinois department has made a report on four mutual benefit associations, the United Fellowship of Mason City, Excelsior Mutual Benefit of Olney, Fruit Belt Mutual of Anna and Mammoth Mutual Benefit of Salem.

The United Fellowship report is as of Aug. 1. It has 565 members. Its income was \$6,657, disbursements \$7,404. Its assets are \$721 and its liabilities \$4,544. The department orders proper assessments be made at once to bring the guarantee fund up to the requirements. It also orders the association to discontinue the practice of making compromise settlement of claims without sufficient cause.

The Excelsior's report is of the same date. It has 1,585 members. Its income for the six months was \$11,836 and the disbursements \$12,775. Its assets are \$2,145 and liabilities \$5,800. It needs \$5,241 to meet the guarantee fund requirement and therefore it is ordered to levy proper assessments.

The Fruit Belt examination is of Sept. 1. It has 1,225 members. The income up to Sept. 1 is \$14,984, disbursements \$16,676, assets \$3,547, liabilities \$7,000. It also is ordered to make an assessment. The association suffered an unusual number of deaths during the first eight months.

The Mammoth Mutual report is of July 1. It has 630 members. The income up to July 1 was \$3,533 and disbursements \$3,133, assets \$3,013 and liabilities \$1,000.

New Court Orders Clear Up Federal Reserve Situation

KANSAS CITY, Dec. 3.—Federal Judge Pollock in Kansas City, Kan., has ordered Commissioner Hobbs of Kansas to release \$400,000 in defaulted mortgages to the Occidental Life, which reinsured the Federal Reserve Life. Possession of the mortgages by the Occidental, W. R. Baker, Federal Reserve receiver, told Judge Pollock is necessary in order to foreclose the properties, many of them with interest and taxes overdue since 1929. Mr. Hobbs protested the order and is seeking an appeal on the grounds that the department must have assets sufficient to cover the reserve on each Federal Reserve policy. Mr. Baker pointed out that deeds to the

properties would be given the department as a deposit.

Several other orders have been issued by the court, including the termination of the Federal Reserve's contract with the Postal Life & Casualty, Kansas City, on the former's accident and health business.

The liquidating value of all assets agreed upon by the Occidental and Mr. Baker and approved by the court totaled \$2,310,781. This does not include (1) \$1,738,524 in policy loans, (2) \$22,324 in premium notes, (3) \$747 in accrued interest on these two and (4) \$97,957 in net due and deferred premiums. Principal items of the amount approved are real estate, \$440,398, which is 60 percent of a market value of \$733,996; mortgage loans, \$1,011,065, which is 60 percent of \$1,685,108, and \$853,661 in bonds.

The court has ordered all securities and assets on deposit in Kansas, Missouri and Indiana departments for the equal and pro rata benefit of holders of all policies issued or assumed by the Federal Reserve on or before May 22, 1936. The status of these deposits and the rights of the holders of registered policies had to be determined in order to calculate the lien on Federal Reserve policies.

The court ordered that the lien shall be the same percentage of the net equity irrespective of the fact such policy was issued by the Federal Reserve or assumed by it under its reinsurance agreements.

Schulz Brothers Fined

DES MOINES, Dec. 3.—Fines of \$2,000 each were levied by Federal Judge Dewey on William Schulz, Jr., former president, and Carl G. Schulz, former secretary of the Union Mutual Life of Iowa and the Union Mutual Casualty. Both men entered pleas of guilty on the first charge of the indictment, charging conspiracy in connection with the operation of the companies from 1929 to 1936. Both men resigned from the companies last February following a court action by a group of policyholders.

United American Organizing

The United American Life of Denver, Colo., of which V. L. Tickner is president, has opened offices in the Patterson building. This is a company now in process of organization.

Indianapolis Life 31 Years Old

The Indianapolis Life celebrated its 31st anniversary recently, having started business Nov. 20, 1905. Edward B. Raub, president, is starting his 32nd year with the company, having been an officer since its inception. A. LeRoy Porteus, vice-president, joined the company in 1906 and is completing 30 years of service.

At the end of 1905 insurance in force in Indianapolis Life, totaled \$325,000, while it now has more than \$98,400,000 in force. Assets are the largest in its history, exceeding \$18,200,000.

New Union Mutual Director

Hugh J. Chisholm of Portland has been elected a director of the Union Mutual Life of Maine to succeed the late E. B. Winslow. Mr. Chisholm is president of the Oxford Paper Company and a director of the Boston & Maine Railroad.

Will Continue in California

The Pan-American Life, which recently announced its intention to withdraw from California, has notified Commissioner Carpenter of its decision to remain in that state and that its present certificate of authority will be renewed at expiration.

Lunsford Assistant Auditor

C. B. Lunsford, who has been with the Equitable Life of New York since 1925, has been appointed assistant auditor of that company. He joined the Equitable in the cashier's office at St.

Paul. Later he was transferred to Chicago and in 1928 went to New York to become superintendent of the audit division. More recently he was made supervisor of the accounting division.

California Examinations On

The California department is now examining the Alliance Mutual Life, Douglass Mutual Life Association, Great States Life Association, National Guaranty Life, State Mutual Life Association, Sunset Mutual Life and World Life & Benefit Association.

Pioneer Equitable Group Policy

A group life policy covering 75 officers and employees of the Pioneer Equitable Insurance Company of Lebanon, Ind., has been placed by J. T. Traylor, general agent Northwestern National Life, Indianapolis.

Life Insurance Counsel Annual Meeting Is Held

(CONTINUED FROM PAGE 4)

general attorney Travelers, and T. J. Tyne, vice-president and general counsel, National Life & Accident.

Tuesday's session opened with the reading of an interesting paper on "The federal income tax law as it applies to the situation presented when a mortgagee of real estate acquires the mortgaged premises on foreclosure sale of by voluntary deed" by C. J. Cover, Lincoln National.

W. M. Bullitt had an interesting discussion on the question whether disability is a proper factor in dividend distribution. The companies have differed in the practice. A decision in the Rhine case which will definitely settle the question is expected shortly. Some of those taking part in the discussion were: O. F. Grahame, Guardian Life; F. E. Boland, Metropolitan Life, San Francisco; D. P. Cavanagh, Aetna Life; Miss Lelia E. Thompson, Connecticut Mutual, and J. A. Ewing, Sun Life.

On recommendation of the executive committee the constitution was amended to have the retiring president serve on the executive committee for a period of four years from the expiration of his term as president.

President Cooke appointed on the nominating committee: George B. Young, National Life of Vermont; Alfred Hurrell, Prudential, and Andrew D. Christian, Atlantic Life.

COAST

Gets Applications for \$444,000

At a luncheon-meeting of the Los Angeles agency of the Union Central Life under Manager Mark S. Trueblood, Wendel F. Hanselman, superintendent of agencies was presented with applications for \$444,377 of new business, representing one week's production of the agency written in his honor.

Senor Moriarty Feted

J. J. Moriarty, vice-president of the General American Life visited the W. D. Erwin general agency in Los Angeles on a business and pleasure trip to southern California. The agency held a Mexican luncheon-meeting with tortillas and enchiladas, at which "Senor" Moriarty was the honored guest. The company plans to hold its convention in July, 1937, in Mexico City.

Graham on Coast

W. J. Graham, first vice-president of the Equitable Life of New York in charge of group insurance is on the Pacific Coast. After visiting Los Angeles and San Francisco he will proceed east, stopping en route at Salt Lake City and Ogden.

At a breakfast-meeting in Los Angeles of Equitable agencies Mr. Graham

SUN LIFE OF CANADA SERVICE

THROUGH ALL TIME, the Trade and Commerce of the world have performed vital service in demonstrating the need for cooperation and good will among the peoples of the earth.

INSPIRED by this HIGH PURPOSE, the Sun Life over many decades has ventured where the march of civilized man has uncovered new and fertile fields of human endeavor.

TODAY, as the ELECTED TRUSTEE of thousands of Men and Women of all races and climes, it remains ever ready to advise and serve with disinterested diligence and zeal.

THERE'S A SUN LIFE POLICY FOR EVERYONE

A friendly Company

is the reputation The Old Line Life Insurance Company has earned.

Offers a liberal contract.

Backs its men with advertising. Tied in with direct mail this gives a complete merchandising plan.

Agencies available in
Illinois, Michigan and Ohio

The
OLD LINE LIFE

Insurance Company of America

MILWAUKEE, WISCONSIN

LIFE

ACCIDENT

HEALTH

stated that \$10 out of every \$100 of insurance payable in the United States are on the lives of employees jointly contributing with employers by group plans. Of the 25 million workers who are now being registered under the social security act, nearly half will be found insured under one or more group insurance coverages, with an average protection of about \$1,500 each, he said. While \$1,500 is vastly in excess of the average wage of all workers in the United States, it represents about one year's pay for the workers covered.

Insurance Professors Will Meet in Chicago Dec. 28

The annual meeting of the American Association of University Teachers of Insurance will be held in Chicago, Dec. 28 during the time that the various associations of university professors are meeting. There will be a program in the morning and one in the afternoon. At the luncheon, the principal speaker will be Insurance Director Palmer of Illinois. Prof. S. H. Nerlove of the University of Chicago is in charge of the luncheon meeting. He extends an invitation to any insurance people who are interested to attend. Prof. Ralph H. Blanchard of Columbia University is president of the association.

Prof. Alfred Manes of Indiana University, internationally known insurance educator, will be on the program. The morning will be devoted to insurance education, while the afternoon will be given over to a discussion of the revision of the standard fire insurance policy and to liability insurance.

Taggart in Denver

Grant Taggart, Cowley, Wyo., chairman of the Million Dollar Round Table will be in Denver Dec. 5 to make arrangements for the organization's sessions at the National Life Underwriters Association's convention there.

AMONG COMPANY MEN

Rathbone Takes Midwest Post

Occidental Life Assigns Agency Secretary to Develop New Territory—Belknap Is Advanced

The Occidental Life of California, has appointed C. S. Rathbone eastern resident division manager in charge of the recently entered states of Michigan, Illinois, Ohio and Indiana, with headquarters at Fort Wayne, Ind., where he has established his residence.

Mr. Rathbone is a native of Oakland, where he attended the University of California, after which he engaged in construction engineering. Later he went to Honolulu and while there joined the life department of the Home Insurance Company of that city, which was the Honolulu agency of the old Western States Life, where he remained about eight years—becoming manager of the department. Returning subsequently to California, he represented the Occidental Life in San Francisco and Fresno, and was later advanced to manager at Fresno. About three years ago he was transferred to the home office at Los Angeles as agency secretary, educational director and editor of "Pulse," the company's monthly magazine. He has been very active in all the work of the agency department, including production of advertising and promotional material.

The vacancy created by the promotion of Mr. Rathbone to the new field has been filled by the advancement of Raymond H. Belknap to agency secretary. Mr. Belknap has been assistant agency secretary since March. He joined the Occidental in 1926 as a member of the actuarial department. In 1929 he entered the field as a personal

producer of new insurance and was successful in achieving a fine record. In 1935 he was appointed general agent at Pasadena, where he developed a successful agency—remaining there until March, when he was called to the home office. He is a native of Erie, Pa., and went to California in 1919.

Hill Montague, Jr., Promoted

Hill Montague, Jr., has been elected secretary of the Life of Virginia. He succeeds Philip St. George Cooke, who has retired. Mr. Montague entered the company's employ in 1919 in the actuarial department. He was appointed superintendent of the card department in 1922 and assistant secretary in 1935. A graduate of the University of Richmond and the University of Virginia, he holds the degrees of B. A. and M. A. from these respective institutions.

Mr. Cooke retires under the company's contributory retirement plan. He entered its employ in 1891, and served through various assignments in field and home office. He was elected secretary in 1925. A group of Mr.

Cooke's friends presented him with a handsome silver bowl and plate and a gold watch chain, as personal testimonials of their friendship and esteem.

Moran Is Sales Director

Frederick L. Moran, formerly assistant secretary and superintendent of agencies in Canada for the Metropolitan Life, has become general sales director of the Income Estates of America. This organization sponsors a trusted income plan of investment with life insurance for which the Pennsylvania Company for Insuring Lives & Granting Annuities acts as trustee. Insurance is issued by the Connecticut General Life, which insures the balance due the individual in the trust fund in the event of death.

Mr. Moran started with the Metropolitan as an agent in Boston in 1912 and has been a manager in Worcester, Buffalo, New Rochelle, N. Y., and New York City.

Prior to going into management he was agency supervisor for the six New England states. For four years he was chairman of the production committee for Metropolitan in New York and Westchester county. While in this position he organized in New York City the "Metropolitan 100 Million Dollar Club."

LIFE SALES MEETINGS

Northwestern Mutual Sets Jan. 4-5 for Eastern Meet

With the slogan, "Green Lights Ahead for 1937, Get Set for a Fast Takeoff," the Northwestern Mutual Life's annual meeting of agencies in the New England, middle and south Atlantic states will be held in New York City Jan. 4-5.

On the committee in charge are E. T. Lothgren, Providence, R. I., chairman; L. W. Norton, Durham, N. C.; W. E. Rowley, Newark; Francis Donovan, Peterboro, N. H.; H. L. Barnett and Meyer Goldstein, New York City, and R. S. Wilson, Pittsburgh. R. P. Thierbach, assistant director of agencies, is home office representative on the committee.

While the program has not been completed, there will be sessions devoted to prestige building, an advanced underwriting clinic and a mystery drama. Members of the committee will preside at sessions. Several company executives will attend and address the agents, together with leading producers and several guest speakers.

State Farm Indiana Meeting

INDIANAPOLIS, Dec. 3.—Plans for a 30-day sales campaign were made at the annual meeting of Indiana agents

of the State Farm Life, State Farm Mutual Automobile and State Farm Fire. Principal speakers were G. J. Mecherle, president of the companies; M. G. Fuller, vice-president, and Fred C. Snapp, vice-president of the fire company. H. R. Nevins of Indianapolis presided.

Two Qualify for Convention Trip

Although the new Pioneer Club of the Yeomen Mutual Life is less than four months old, two already have qualified for the trip to California next August. They are William Hinshaw of Des Moines, and R. M. Threlkelt, Sr., of Cedar Rapids.

Equitable's Memphis Meeting

A sales meeting for agents in the Memphis territory was held by the Equitable Life of New York at its offices in Memphis, Tenn. R. S. Brown discussed the relationship between life insurance and the social security program, and Bolling Sibley spoke on "Life Insurance as a Career." Thirty agents in attendance were guests at a luncheon.

District Meet at San Antonio

The fall district sales meeting of the Business Men's Assurance was held in San Antonio, Tex., under the direction of A. H. Hogue, state manager, and O. B. Krezdorn, district supervisor.

AS SEEN FROM CHICAGO

HISTORY OF LIFE INSURANCE

A "History of Life Insurance in Its Formative Years" will see December publication through the efforts of the American Conservation Company, 307 North Michigan avenue, Chicago. The book is largely a compilation of material which has appeared from time to time in the "American Conservationist," the company's house publication, of which H. G. Shimp is editor-in-chief.

The sweep of the chronicle may be gathered from the fact that it considers insurance in the times of King Hammurabi of Babylon, through the collegias of Greek and Roman times down to the days of the Armstrong investigation in New York in 1905. No possible source of dependable fact has been overlooked. The growth of life insurance in England, Europe and the United States should, on the basis of the facts

recorded, be of interest to executives, as well as policyholders themselves. A considerable portion of the work is devoted to the friendly societies of England, and their counterparts in fraternalism in the United States. There are also included curious facts of all kinds concerning life insurance development, and the early agents and publicity methods have received adequate treatment. The price of the book is \$5.

PUBLIC SPEAKING CLASS

The new insurance public speaking class conducted by R. E. Baker, manager Preferred Accident, held its first meeting in the Chicago Board auditorium Tuesday afternoon. There were 18 at the initial meeting which Mr. Baker believes is large enough to give every member a fair amount of time for training in speaking. He belongs to four or

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containing

Reduced premium rates,
Increased values,
and
Special policies to fit every need—
—including—

Double Protection Endowment Age 65
Preferred Risk
Juvenile Policies
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Modified Life—5 & 2 year plans
Family Income
30 Year Term
20 Payment Endowment Age 65

The Manhattan Life
INSURANCE COMPANY

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other public speaking classes in Chicago and conducts one or more himself.

It was decided that this class would devote half time to instruction and the other half to forum with a moderate amount of criticism given by both Mr. Baker and the members.

A definite place of meeting has not yet been decided upon and all members will be notified of any change. The class will meet Tuesday at 5:30 p. m. The class is sponsored by the "Insurance Exchange Magazine."

* * *

TO HOLD GENERAL AGENTS NIGHT

The Life Agency Supervisors of Chicago is planning to hold a general agents and managers night Dec. 11 at the Hotel Sherman. There will be dinner, entertainment and a get-together, President B. H. Groves, Travelers, and announces.

* * *

BUSINESS ON UPGRADE

A good number of life insurance men in Chicago have found that since election their business has improved materially. Many held back from deciding what they are going to do and a large number were extreme in their views, feeling that if President Roosevelt were elected there would be a big stock market crash. President Roosevelt's majority was so heavy and the stock market went up instead of going down, hence confidence has been more or less restored. That is, the vote was so unexpectedly large that business men found that the country was with President Roosevelt. At least they are willing now to give him a show and are inclined to feel that gradually the budget will be balanced, some of the projects will be refinanced and that the big spending so far as initiating enterprises are concerned is pretty much over. Business interests apparently have

more confidence than they had before. Life insurance men are inclined to feel that if the vote had been close the situation would not have been so satisfactory to life insurance selling. However, the vote was very illuminating and showed where the people stood, so there is no doubt as to the sentiment throughout the country. Whatever may be the influences that brought the big majority, life insurance men as a rule have found their business improved since the election.

* * *

STUDYING AGENCY CONDITIONS

Chicago general agents are studying very carefully today the matter of hiring, training and compensating new agents. They realize that too much attention has been given heretofore to misfits and those that were not qualified to sell life insurance. Therefore far greater selectivity is being employed. They realize that not all successful salesmen in other lines can make the grade in selling life insurance. Furthermore the general agents realize that in order to secure capable men they must be remunerated in such a way that they can make a good living. They will not be interested in staying in the business unless they can make as much or more out of selling life insurance than they can with selling something else. One general agent is trying out an experiment for 1937. He is putting 10 men on a salary and commission, paying \$100 a month, plus commission. He is selecting these men with great care. Since he is paying a salary he has command of their time. He is laying down requirements that must be met so long as the salary is paid. He feels that with proper training, guidance, help and a careful control of time most of these men will be able to make a good record.

INDUSTRIAL FIELD NEWS

Louisiana Act Is Interpreted

Industrial Companies Must Maintain Reserves and Provide for Cash Values and Extended Insurance

NEW ORLEANS, Dec. 3.—An interpretation of the provisions of act 148 of 1936 affecting industrial life companies has been issued by the attorney for the department of state.

The issuance of group policies is prohibited. Funeral benefit policies must specify in detail the funeral provisions and provide for a specific cash amount in the event the company is unable to furnish the funeral because of change of domicile of the assured.

Industrial companies must set up and maintain reserves on the American 4 percent table. Policies must provide for cash values and paid up and extended insurance after they have been in force for five years. The paid up and insurance provision must be equal to at least two-thirds of the reserve of the policy at date of default less existing indebtedness. Cash values of lapsed policies must be based on the standard industrial table with 3½ percent interest. Policyholders must be given the opportunity to elect either the cash surrender value, paid up or extended insurance provisions within eight weeks after date of default of the premium. The policy must provide automatic application by the company of the accumulated reserves to either paid up or extended insurance, if the assured has not elected one of the options within the prescribed time. Industrial policies must contain non-forfeiture value tables for paid up, extended insurance and cash surrender values.

Industrials Cut Ordinary Swath

HARTFORD, Dec. 3.—There are some who believe that the industrial

companies are due to take a more important position in the ordinary field. The largest of these companies are accelerating the pace with which they are developing ordinary writers. Today these industrial offices are not satisfied with two or three men who write \$100,000 or more of ordinary life insurance. They would rather have a whole staff which would average \$40,000 or \$50,000. This is above the average production of those in ordinary life production.

Western & Southern Changes

The following changes have been made in the field personnel of the Western & Southern Life: E. L. Wiegman, formerly superintendent at Akron, O., has been promoted to manager at Beaver Falls, Pa., succeeding Manager L. J. Hickey, who has been transferred as manager to Cleveland-South. E. A. Ortenburg, formerly superintendent at Detroit-East, has been made manager at Piqua, O., succeeding Manager J. T. Moore, who has been transferred as manager to Columbus-North.

Massachusetts Veteran Dies

John F. McEvoy, 63, formerly assistant superintendent of the Worcester, Mass., district office of the Prudential, died there. He had been with the company 38 years until his retirement in 1930.

Monthly Opens New Market

The John Hancock Mutual has found a definite market for its new monthly debit ordinary contract. The policy embodies all the benefits and provisions of the regular ordinary contract with the advantage that the premiums can be paid monthly. The John Hancock has found that a certain class of people who either desire or find it necessary to pay on the monthly basis are taking advantage of the plan. A study of the occu-

AMERICAN CENTRAL LIFE INSURANCE COMPANY

ESTABLISHED 1899

INDIANAPOLIS, INDIANA

● An exclusive type of high-renewal, life-income building agency contracts and exceptional opportunities for both producers and organizers are available today in Illinois, Indiana, Michigan, Ohio, Missouri, Kansas, Oklahoma, and Texas.

A Policy for Every Person and Every Purse

THE
GREAT-WEST LIFE
ASSURANCE COMPANY

Head Office—Winnipeg, Canada

Business in Force Over \$570,000,000

pational classifications of the purchasers reveals that a variety of people are buying it. A large number of the applicants are those who have no other insurance.

Acme Industrial Official Dies

M. J. Julian, Sr., secretary of the Acme Industrial Life of New Orleans, died at his home at the age of 76. He had been ill for a long time.

Industrial Notes

J. A. Wyatt, Life & Casualty agent at Russellville, Ark., has been made special agent of the service department with Fort Smith headquarters.

The National Life & Accident has transferred D. F. Shields from manager of District 3, Memphis, to the same position in District 2, Chattanooga, Tenn.

R. M. Wilson, agent of the Commonwealth Life in Chattanooga, has been promoted to assistant superintendent.

Travelers Starts Sixth Course

Thirty-two young men are attending the sixth course in life and accident insurance that has been given at the home office of the Travelers this year. This will increase the number of graduate students to 194 at the end of this year. The company expects to accommodate over 300 students from all parts of the United States and Canada in 1937 in ten classes of four-week periods.

THE RECORD SHOWS

THIRTY YEARS

of

PERFORMANCE

STABILITY • SECURITY

THE LAFAYETTE LIFE INSURANCE CO.

F. L. ALEXANDER W. R. SMITH
President Field Vice-President
JACK NEIL, Superintendent of Agencies
LAFAYETTE, INDIANA

"Sweetest Income in America"

THAT'S what a "big time" life underwriter said of the side commissions obtainable from selling income protection.

Increasing Life writings at the same time you sell income protection depends on a plan.

Our book "The Sweetest Income in America," outlines this plan now in successful operation in a number of Inter-Ocean Agencies.

If you are interested in an H & A connection with us, write for this booklet.

Inter-Ocean Casualty Co.
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NEWS OF LIFE ASSOCIATIONS

Women Become More Active

Special Divisions Now Organized in Nine Cities—Helen Rockwell of Cleveland National Chairman

Life insurance women throughout the country are rapidly heeding the call to organize and take a more active part in the affairs of the National Association of Life Underwriters. Groups have now been formed in nine cities and members are encouraged to join their local associations. In fact, only those affiliated with the local association have the privilege of active participation and the right to vote.

Helen B. Rockwell, manager women's division National Life of Vermont, Cleveland, is chairman of the women's committee of the National association and is the active head of organization. She is assisted by Sara Frances Jones, Equitable of New York, Chicago, who is now vice-chairman of the women's committee and was chairman last year.

Both were in Pittsburgh last week, where a women's division of the Pittsburgh association was organized. Maude Agnew, Equitable Life, was named chairman. About 45 women agents were present. Other cities which have been organized and their chairmen are: Chicago, Edna Kaufman, Penn Mutual; Boston, Martha H. Boott, John Hancock; Minneapolis, Martha Washburn Allin; St. Paul, Mary Keefe, Provident Mutual; Portland, Clara Woodruff, Occidental Life; Syracuse, Elizabeth H. Moran, Fidelity Mutual; Washington, D. C., Alma McCrum, New York Life, and Denver, Marie B. Parker, Equitable Life. High hopes are held that Cleveland will be organized next.

According to Miss Rockwell, the women's group will have an active part in the next National convention at Denver. They are now working to secure one or more speakers of direct interest to them. In addition to the regular program, the women expect to have three group meetings of their own including a morning meeting for all women, an afternoon clinic session, and an afternoon meeting of the Quarter Million Dollar group, which held its initial meeting in Boston this year. Double the attendance is expected next year.

Los Angeles Members Will Speak in San Francisco

Under the title "Los Angeles Bridge Builders, Inc.," members of the Los Angeles Life Underwriters Association will present an "Exchange of Ideas" program before the San Francisco association Dec. 7. Those appearing on the program representing the Los Angeles association are: John R. Mage, Northwestern Mutual Life, chairman; Kellogg Van Winkle, Equitable of New York; James Cowles, Provident Mutual, and the following "bridge builders": Wilmer Hammond, Aetna Life, "Planning the Bridge"; Phineas Prouty, Jr., president Los Angeles Association, "Building the Bridge"; Harold Parsons, Travelers, "Paying for the Bridge"; Alex Dewar, president Los Angeles Managers' Club, "Bridging with Life Insurance."

Present indications are for an attendance of between 500 and 750, outlying associations being invited to participate in the program.

Plans Are Completed for "All Chicago Day" Dec. 16

All speakers have been secured for the first annual "All Chicago Day" to be held at the Hotel Sherman Dec. 16,

sponsored by the Chicago Association of Life Underwriters. A number of Chicagoans who have appeared before national organizations of life insurance men will appear on the program.

The morning session with President Frederick Bruchholz of the Chicago association presiding will open at 9:20 and close at noon, while the afternoon session with President Alexander Patterson of the National Association of Life Underwriters presiding, will start at 1:30 and adjourn at 4 o'clock. L. S. Broadus, Guardian Life, is chairman of the committee on arrangements.

Following are the speakers: H. A. Behrens, president Continental Assurance; Mr. Broadus, H. W. Anderson, superintendent of agencies Travelers; Louis Behr, Equitable Life; C. B. Stumes, Penn Mutual; I. M. Hamilton, president Federal Life; J. R. Hastie, Mutual Life of New York; Sara Frances Jones, Equitable Life; L. M. Buckley, Provident Mutual; A. J. Johannsen, Northwestern Mutual; H. T. Wright, Equitable Life. All sessions will be open.

Chattanooga, Tenn.—J. A. Worsham, Decatur, Ill., author of "Low Pressure Selling," talked on how an insurance salesman could help the prospect decide the difference between "needs" and "wants." Jack Diamond, Metropolitan, presided.

Central California—Headed by T. A. Gallagher, president San Francisco association, and K. L. Brackett, president California association, members of the San Francisco association presented a program at Fresno. W. V. Power, Aetna Life, and G. F. McKenna, Continental Assurance, were the principal speakers.

Montreal—R. E. Coolidge, superintendent of agents of the Aetna Life, read papers on "Planning and Prospecting" and "Making Sales and Building Clients" at the sales congress in Montreal which was held under the auspices of the Montreal association. E. W. Woodburn, Imperial Life of Canada, spoke on "Ad-

Active on Commissioners Entertainment Committee



ELMO E. WALKER, Little Rock

Secretary and General Manager Elmo E. Walker of the Union Life of Little Rock is prominent on committees in connection with the meeting of the National Association of Insurance Commissioners at the Arlington Hotel, Hot Springs next week. He is a member of the reception committee and also the entertainment committee. Mrs. Elmo Walker is a member of the ladies' entertainment committee.

vanced Life Underwriting," and R. Donald Taylor, assistant superintendent of claims of the Sun Life, discussed "Optional Methods of Settlement and Some Problems of Claims Administration."

Marshalltown, Ia.—Annuities, their growth and future, were discussed at the last meeting.

Minneapolis—Ethics of the life insurance business were touched on briefly in a talk by Commissioner Yetka. He mentioned the efforts now being made to improve the standards of insurance agents through a qualifications law and told the agents that it was largely up to them to see that such an end is achieved. Arthur R. Hustad, president, presided. About 125 attended.

Knoxville, Tenn.—"Make yourself a leader in civic activities in your community," Henry M. Powell, Atlanta, general agent State Mutual Life, said at the November meeting. In this way the agent broadens his acquaintance, gains prestige and thousands of potential policyholders will look to him as interested in social and civic problems. Leon G. Simon, New York, assistant general agent of the Equitable Life of New York, will speak Jan. 19 on business insurance.

Fargo, N. D.—Ray Haberman, associate general agent Northwestern National Life, talked on the "Essentials of Life Underwriting." He stressed the desirability of having a definite sales talk showing where to go and what to do. He also believes agents should endeavor to get at least one name of a prospect from every person on whom he calls.

Philadelphia—In line with the program introduced by A. B. Levy, Equitable Life of New York, of reorganizing John W. Agent, an essay contest is announced, open to rate book carriers only.

Managers, general agents, unit managers, assistant managers, supervisors, and C. L. U.'s are barred from competing. The agents are to write a thesis of not over 2,500 words on "The Philosophy of Life Insurance." The contest closes Dec. 31.

Davenport, Ia.—At the annual stag party, 17 new members were admitted. The committee in charge consisted of James Copeland, president; Clarence Lay and H. C. Hall.

Boston—The annual meeting will be held Dec. 15. John A. Stevenson, executive vice-president Penn Mutual Life, will speak on "The Challenge of Trained Leadership." President Clarence W. Wyatt is the retiring president of the association.

Manchester, N. H.—Fitzhugh Traylor, Boston manager Equitable Life of New York, spoke on "Life Underwriting in the New Order." Vaughan D. Griffin, Northwestern Mutual, made his first official appearance as president of the association. Special factors that will aid the sale of life insurance in the future are increasing taxes, tendency toward speculation, social security act, increasing incomes with the return of prosperity and a new confidence and faith by prospects, said Mr. Traylor.

San Antonio, Tex.—Members will be the guests of the San Antonio junior chamber of commerce at a luncheon with President Ricks Strong of the Texas association, Dallas, in charge of the program.

London, Ont.—The following were elected new officers: W. P. Gilbride, president; C. J. Atkins, vice-president; Leon Adams, D. H. Thomas, J. B. Hamilton, directors. The new officers will appoint three more directors, and a secretary to succeed D. H. Thomas. E. W. Owen, Detroit manager Sun Life, spoke.

San Francisco—Life licenses in San Francisco show a decrease of 460 to a total of 2,054 compared with 2,514 when a tabulation was made last year. Activities of the association in carrying out the "Riehl plan" for the elimination of part-timers and marginal producers are credited with much of this reduction, and it is believed that a further substantial reduction will be made. Association officials have lists of the representatives of all companies operating in the San Francisco territory and are working with the general agents and managers on the matter of these further reductions.

Association directors are meeting Dec.

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to formulating further plans of procedure on the elimination of part-timers and approval of a new form of application for membership, which will include a statement of the applicant's experience and qualification with a pledge to uphold the principles of the local and National associations.

* * *

Cleveland—D. Bobb Slattery, Penn Mutual, former president of the Life Advertisers Association, will speak Dec. 11 on "Putting Advertising in Your Selling Kit." Mr. Slattery organized and developed his company's direct mail department.

* * *

Greensboro, N. C.—W. H. Andrews, Jr., Jefferson Standard, was reelected national committeeman at a luncheon meeting.

* * *

Colorado—The annual sales congress will not be held in 1937 due to the National convention, which will be held in Denver.

Death Rate Goes Up, Hall Reports

(CONTINUED FROM PAGE 1)

Since 1926 there has been a decrease in death rate from this cause every year, the drop this year being 6.1 percent and the death rate 46.4 per 100,000. Life companies are able to discover incipient cases with x-ray and thus protect against early death claims. Syphilis, he said, is twice as prevalent as tuberculosis, it being estimated that 5 to 10 percent of the general population is affected by it, among insurance applicants the incidence being probably around 2 percent. Deaths from this disease and its complications yearly run around 100,000. Mr. Hall said it was estimated in 1934 the disease attacked and disabled more than 500,000 persons. Probably 5 percent of those infected are unaware of the condition. The disease deserves serious consideration by persons interested in health and conservation of policyholders.

Causes Many Other Ills

Ten percent of insanity is supposed to be due to this cause and also indirectly 10 percent of sudden deaths other than accidents. Heart, kidney and arterial diseases, Mr. Hall said, often arise from syphilis, it being reported 18 percent of all diseases of heart and blood vessels are due to this cause.

Among so-called degenerative diseases, the group including heart disease, cerebral hemorrhage and Bright's all deaths among policyholders, combined rate being 271.8 per 100,000, an increase of 7 over last year. Organic heart diseases took 160.8 per 100,000 insured lives, the highest rate for any single specified cause, representing 5.5 per 100,000 increase, or 3.5 percent. Almost 20 percent of all policyholders dying this year will have been stricken by heart disease. Cerebral hemorrhage increased 3.6 percent, death rate being 60.1 per 100,000; Bright's disease decreased 1.2 percent, being 50.9.

Cancer Also Widespread

Cancer still ranks second as the cause of death, but shows a slight decrease to 91.5 compared to 93.1 last year and 71.1 10 years ago. The rather alarming increase in deaths from cancer and degenerative diseases is caused partly by changing diagnoses and the fact that decreasing death rate from other diseases enables more of the group at risk to survive to older ages when they are vulnerable to cancer and degenerative diseases.

Death from diabetes, reported this year for the first time as a separate cause, increased 0.8 over 1935 to 21.2 per 100,000 insured lives. The disease has become less serious in the last few years due to better control and use of the blood sugar tolerance test.

Suicide rate among policyholders decreased about 10 per cent, being down to 13.9, whereas in 1932 it was 21 per 100,000. Homicide deaths numbered 4 per 100,000, the lowest rate for any

year for which figures have been compiled, 13 percent less than last year and 37 percent less than 10 years ago.

Fatal automobile accidents among insured lives decreased this year, compared to the steady alarming increase up to 1932. This was in spite of a decided increase in car registrations. The mortality from this cause was 22.2 compared to 23.4 last year and 24.3 in 1934.

Mr. Hall emphasized the vital role which the life insurance institution has taken in improving public health and setting up safeguards.

He noted that the joint mortality committee of the Association of Life Insurance Medical Directors, American Institute of Actuaries and Actuarial Society of America soon will publish a study of impairments.

Exhorts Life Presidents to Support the Crusade

(CONTINUED FROM PAGE 9)

career men in our business? Would not a more searching investigation of the qualifications and background of every one who applies for an agency contract, in a few years, actually create a sincere desire on the part of the youth of the nation to associate themselves with the selling branch of this great business? Nothing raises the morale of an agency quite so much as the knowledge that the general agent or manager is highly selective in his adoption of new members for his organization. The most successful and progressive agencies are those made up of quality salesmen. It is obvious that quality salesmen produce quality business, low lapsation, good mortality, lower expense ratios and create higher prestige for their companies. At the same time they serve the public's needs adequately and more efficiently.

Feels Increase Would Result

"Would a program of this kind reduce any given company's annual volume of new business to any marked degree? That is a hard question to answer, but a long-range test, over a period of, say five years, in my opinion, would not only show an eventual increase in both quality and volume but would put all companies adopting it in the foreground of the business. With the elimination of the poorly trained and unfit, buying resistance caused by these salesmen would gradually diminish and I believe all companies adopting a rigid plan of this type would reap rich rewards in the years to come."

Touching on agency expense, he said such expenditures should be regarded, in a large measure as an investment rather than entirely as an expense.

"Is it not fair," he asked, "to say that funds appropriated for such a department should be considered an investment in living or human values? Such funds, properly expended, should result in the better distribution of our product to the public and a more profitable return from every angle."

Discusses Rehabilitation

"Let us assume that the mortgage department has taken over a 6-flat building under a foreclosure. In many cases it has been necessary to invest further funds for improvements and repairs. Why have they made this added investment for the rehabilitation of this building? Obviously, for the purpose of protecting and improving the original investment in the hope of receiving a fair interest return. But, I believe a maximum return is never expected in the first few years. Similarly, is it not reasonable to assume that a like investment in an agency department will work for the rehabilitation of your field forces and, likewise, improve your original investment and guarantee to you a satisfactory return, if not immediately, certainly after several years? No investment you will ever make will reflect greater glory or bring more prestige to your company than an investment in

these human values. Your field forces are fighters; they are men and women of courage; they are your ambassadors of good will; they are proud of you, they are proud of the record of their companies, they rejoice in the reputation of life insurance as an institution, but they look to you and to the agency officers, for guidance even for protection, in what one agency officer recently characterized as the problem of their training, their compensation and their ultimate old-age security."

Makes Three Points

"I urge you to consider, first, the lessening of pressure upon the field to get the transitory volume of business expected from a horde of new appointees, carelessly inducted into the business each year; second, the more deliberate selection of new men by your agency departments, with a view to having them enter this business for a career; and, third, a more complete training of new appointees in the fundamental needs of life insurance at the outset, so that they will do no devastating bungling in their early dealings with the public at large, thus removing an obvious obstacle in the path to greater success for the experienced men and women in our business."

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Atlanta Agent Writes \$100,000,000 Group Line

ATLANTA, Dec. 3.—Chas. E. Bradshaw of Atlanta has written one of the largest group policies on record, for about \$100,000,000 on the Railway Express Agency, covering about 55,000 employees against death, dismemberment, accident or any cause. This covers employees who work in offices throughout the United States, Canada, Alaska and Hawaii, each carrying an amount determined by the nature of his job, classified by his occupational grouping. It is understood a number of life companies are underwriting the line, but the names of the companies were not disclosed.

Specializes in Group

Mr. Bradshaw is a specialist in group insurance who has arranged similar coverages for railroads, steamship companies and other large industrial and transportation concerns. The deal became known upon the arrival in the city of L. O. Head, president of the Railway Express Company, a native of Milner, Ga.

LIFE AGENCY CHANGES

C. E. Townsend to Retire Two Agencies Being Merged

Willis J. Carter Will Succeed Him as General Agent of Equitable Life of New York in Boston

Charles E. Townsend of the Equitable Life of New York, one of the veteran general agents in Boston, will retire Dec. 31. He had been general agent of the Equitable for 40 years. Born in Rhode Island, Mr. Townsend entered insurance as general agent for the Equitable in Lowell at the age of 28. He was transferred to Boston soon afterward and in 1895-1896 had field duties in Rhode Island.

In his 40 years at the head of the Boston general agents the office has produced over \$150,000,000 of business, for 25 years being one of the leading Equitable agencies. Mr. Townsend prided himself in having lost but one agent to another agency in 25 years. Many of his staff have been with him from 20 to 35 years. He was president of the Boston Life Underwriters Association in 1907 and is a past president of the Equitable's "Old Guard."

Willis J. Carter, who has served for 16 years as supervisor of the Townsend agency, will succeed him as general agent.

Opens San Antonio Office

The Guardian Life of Dallas, Tex., has opened a southern division office in the Bedell building, San Antonio, with T. W. Payton, formerly southern district manager for the Lincoln Life & Accident at Ardmore, Okla., in charge.

Harrison Joins Hartford Agency

E. Randolph Harrison has been appointed by General Agent W. H. Griswold of the Mutual Benefit in Hartford as assistant to the general agent. Mr. Harrison is a man of long experience in the field. For the past 12 years he has been with the National Life in New York City.

Roy W. Anger Resigns

Roy W. Anger of Detroit, state manager Guarantee Mutual Life, has resigned. Paul Stewart, from the home office in Omaha, is in Detroit to select his successor.

Mr. Anger for many years was manager in Detroit for the National Life U. S. A., prior to its dissolution. In March, 1934, he joined Frank Ehlen to form the firm of Anger & Ehlen, state managers for the Guarantee Mutual, and in May, 1935, became sole manager.

Homann Department Manager

Reitan, Lerdahl & Co., Madison, Wis., agency, has appointed Carl J. Homann manager of its life department. He joined the agency last August, after having spent ten years in Milwaukee as agent of the Massachusetts Mutual Life.

Some November Figures

The J. S. Myrick agency of the Mutual Life of New York in New York City reports \$1,397,774 new business in November, compared with \$2,297,325 a year ago. The 11 months figure is \$20,171,158 compared with \$29,889,906 last year.

The C. B. Knight agency of the Union Central Life in New York City paid for \$1,173,062 in November as against \$1,908,648 a year ago. For the first eleven months the total is \$18,756,273 as against \$25,065,616.

William Wallace Retiring

William Wallace, supervisor field service Confederation Life, is retiring from active service.

Guardian Life Jacksonville and Columbus, Ga., Offices Are Joined Under Manager Dudley Spain

The Guardian Life announces the amalgamation of its agencies at Jacksonville, Fla., and Columbus, Ga. Manager Dudley Spain of Columbus will head this new unit, with Manager S. J. Brown of Jacksonville as associate manager and L. R. Nicholas as agency supervisor. Separate agency offices will be maintained in both cities, with Manager Spain dividing his time between them.

The Jacksonville office will occupy new quarters in Barnett National Bank building, and development of this unit will be under the supervision of Associate Manager Brown and Agency Supervisor Nicholas.

Mr. Brown has been manager for the Guardian in Jacksonville for the past ten years and Mr. Nicholas joins the new Jacksonville-Columbus unit after five years with the Tampa agency, where he has been a leading producer and supervisor. The merger has been effected to afford a wider development of the territory involved.

State Mutual Changes

The State Mutual Life has appointed Orum M. McGee general agent at Toledo, O. He has been manager in Toledo for the company's Columbus office since July. He joined the State Mutual in 1935 after 11 years experience as

agent and company executive in Ohio. Mr. McGee was in the life insurance business when he entered college, and soon after his graduation in 1923 he reentered the business on a career basis and has been in it since.

Prescott W. Eames, general agent at Kansas City for the State Mutual, has resigned to devote his time to personal production. He is well known as one of the earliest exponents of visual selling. Mr. Eames has developed a large personal clientele in addition to his general agency work. No announcement of his successor has been made.

Heald Appoints Supervisor

Abner A. Heald, Detroit manager of the Bankers Life of Iowa, has appointed Abe Caruthers agency supervisor. Mr. Caruthers has been in the life insurance business for many years, starting in Nashville, and moving to Detroit in 1929. He has been with the Detroit office of the Mutual Benefit Life.

Nowotny Succeeds Kirkpatrick

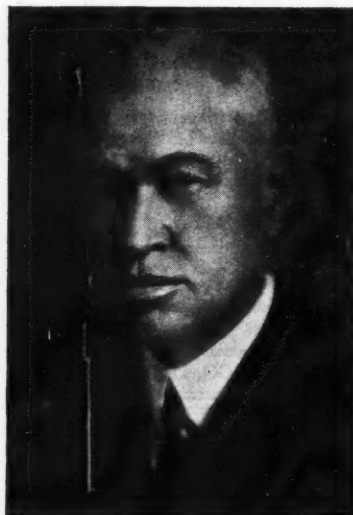
George E. Nowotny, general agent of the Amicable Life of Waco, Tex., at New Braunfels, Tex., the past five years and one of the company's leading producers, has been appointed San Antonio branch manager of the Acacia Mutual Life.

He succeeds Graham Kirkpatrick, who has been appointed agency manager in south Georgia for the Mutual Benefit Life.

Shannon to Cincinnati

E. R. Shannon, Indianapolis manager of the Union Central Life, has resigned to become agency supervisor of the Connecticut Mutual Life in Cincinnati.

Son to Succeed A. L. Baldwin



A. L. BALDWIN

A. L. Baldwin, general agent of the Northwestern Mutual Life in Washington, D. C., for the past 20 years, has resigned, effective Dec. 31. He will be succeeded by his son, Roger L. Baldwin.

The retiring general agent began his insurance career with the Northwestern Mutual in 1905 at the age of 30. He was appointed general agent on Jan. 1, 1917. Mr. Baldwin is well known among life insurance men and has been active in the affairs of the General Agents' Association of the company. His agency has a splendid production record and ranked second last year and fourth the year before among the company's 86 general agencies for the general agents' achievement cup.

Mr. Baldwin's four sons and one daughter have been with the Northwestern Mutual for many years. Philip L. Baldwin, J. Hicks Baldwin, Joseph



ROGER L. BALDWIN

S. Baldwin and Roger L. Baldwin are in their father's agency. Mrs. Joseph H. Allibone, wife of a special agent in the Henry Phillips general agency at Syracuse, N. Y., is the former Marion H. Baldwin and before her marriage was cashier of the Baldwin general agency.

Roger L. Baldwin, who will become general agent the first of the year, is 37 years old and is a graduate of Allegheny College. He received his first contract from the Northwestern Mutual July 7, 1922, and in addition to his sales work has been assisting his father in the general agency work. Since joining the company he has produced in excess of \$3,000,000 of business. During the agents' year 1934-1935, Mr. Baldwin was Class D. prize winner with \$455,963 of production. He has also won membership in the Marathon Club of the company.

Detroit General Agent of the Manhattan Life



HENRY J. BENNER

NEW YORK, Dec. 3.—The Manhattan Life has appointed Henry J. Benner as general agent at Detroit. He has been in life insurance work in Detroit and Michigan for the last 10 years, first as an agent and then as supervisor of the Detroit agency of the Aetna Life and for the past year as agency field assistant for the Home Life of New York. He is a brother of Vice-president C. L. Benner of the Continental American Life.

Mr. Benner attended Adrian and Alma colleges and completed a pre-medical course in 1917. He was at one time in the retail coal and heating business. In the life insurance field he has specialized in the planning of estates.

Announce Pittsburgh Program

Leroy A. Lincoln to Be Main Speaker at Brilliant Golden Jubilee Dinner Monday Evening

PITTSBURGH, Dec. 3.—General Chairman Holgar Johnson announces a ticket sellout assures capacity attendance at the golden jubilee dinner and dance of the Pittsburgh Life Underwriters Association the evening of Dec. 7. Fifty home office officials, including 20 company presidents, already have accepted.

Many Additional Guests

Special Guest Chairman William M. Duff states that an additional 150 guests include members of the Million Dollar Round Table, National association officers and past presidents, insurance press representatives, members of neighboring associations, and prominent Pittsburgh leaders. The main speaker will be Leroy A. Lincoln, president Metropolitan Life, on "Life Insurance as American Way of Thrift." Other speakers will be William L. Monroe, president American Window Glass Company; Alexander E. Patterson, president National Association. Pittsburgh Association President Steacy E. Webster will be toastmaster. Mayor Scully will welcome the gathering. General agents and managers are holding an informal reception at the Duquesne club for all out-of-town guests Monday afternoon.

Federal Authorities Aid

ST. PAUL, Dec. 3.—Cooperation of federal authorities in stopping the prevention of foreclosure sales of farms is being given here. J. L. Krusemark, representing the Union Central Life, attempted to bid in a foreclosure sale near Montevideo and was prevented by a crowd of farmers.

LEGAL RESERVE FRATERNALS

Report on North American Union Life Is Published

Total assets of the North American Union Life of Chicago—a fraternal society—as of June 30, 1936, were \$1,588,000, certificate reserves \$1,201,970 and surplus \$154,726, a report of the examination by the Illinois department reveals. George E. Cobb is president and H. H. Witt, secretary. The company operates in Illinois, Indiana, Maryland, Michigan, New Jersey, Ohio and Pennsylvania.

Rates are based on either the National Fraternal Congress table with 4 percent interest or American experience table with 3½ and 4 percent interest.

Total income for the first six months this year was \$243,116 and total disbursements \$208,494.

The book value of the society's bonds is \$1,618,010. The allowed value is \$1,341,019. Most of the bonds are in the municipal classification. There are 11,704 members and insurance in force amounts to \$10,335,688.

In view of the passage of the fraternal act by the Illinois legislature this spring, the society intends to amend its constitution and by-laws so as to provide for only one fund. Under this change all balances in various funds would be transferred to one fund and all income hereafter would be placed in this fund, and all disbursements made therefrom.

In 1934, it was disclosed that the former accountant had misappropriated funds amounting to \$2,285. This amount was recovered under a fidelity bond and the accountant is no longer employed. The examiners state that the society is well managed, is in sound financial condition and that death claims are properly handled.

Insurance Director Palmer declares that the management should give close

supervision to its investment in bonds and take the necessary steps to liquidate the defaulted issues. Funds derived from such liquidation should be invested in accordance with the provisions of the fraternal act, which became effective July 1 of this year.

Leaves Milwaukee Board to Take Fraternal Post

J. G. Grundle, secretary of the Milwaukee Board of Fire Underwriters, has resigned effective Dec. 31, to become state secretary of the Catholic Family Protective Association of Wisconsin. He joined the board Dec. 8, 1919, and in his 17 years as assistant secretary and later as secretary, served under seven presidents. He has also been assistant secretary of the Milwaukee Board of Casualty & Surety Underwriters since its organization three years ago, and secretary-treasurer of the Wisconsin Association of Insurance Agents since 1920.

In changing from fire and casualty work to life insurance, Mr. Grundle becomes associated with another organization formed shortly after the civil war. The Milwaukee fire board was organized in 1865 and the Family Protective Association in 1868.

Has Been a Director

That association, of which Mr. Grundle has been a director for 21 years, was the first of the fraternal to adopt the American Experience table of mortality. The new rates based on the experience table went into effect in 1902. It issues to both men and women ordinary life, 20-payment life, 15, 20, 25 and 30-year endowment certificates and endowment certificates at age 65. It also has a juvenile department. Privileges to policyholders after the third year include extended insurance, paid-up insurance and cash surrender. Business is solicited on the regular agency basis. Although operating primarily in Wisconsin, the fraternal is also doing business in Minnesota and will shortly apply for entry into two other adjoining states.

Mr. Grundle will succeed as secretary Otto P. Seifriz, who has held the office since 1907. His new duties will include traveling through the territory in which the fraternal operates and addressing local units.

Metropolitan's Coast Meeting

Seventy managers of district offices of the Metropolitan Life in the Pacific Coast territory will meet in San Francisco at the Pacific Coast head offices Dec. 15-16. The occasion will be the annual managerial conference when F. J. Williams, second vice-president; John H. Almy, superintendent of agencies, and the various department heads will review the work of the past year and present plans for 1937.

Texas Production Contest

The O. D. Douglas agency of the Lincoln National Life, San Antonio, conducted a production contest in the form of a football contest between the Steers and Cowboys, with a score of 64 for the Steers and 52 for the Cowboys and a production of approximately \$1,000,000 of new paid business.

Heads Social Workers Conference

Isadore Samuels, general agent New England Mutual Life in Denver and general chairman of the 1937 convention of the National Association of Life Underwriters in his city, is president of "Colorado Conference of Social Work" which holds its annual meeting in Denver Dec. 2-5. Mr. Samuels is most active in civic and social work and will preside at the business session of the

Social Workers Conference which embraces every social activity in the state. Mr. Samuels is one of the prominent general agents and was most responsible for getting the national convention for next year.

Northwestern Mutual Men Tour

Nelson Phelps, assistant director of agencies Northwestern Mutual Life, is visiting agencies in the east. His itinerary includes Portland, Me., Manchester, N. H., Boston, Providence, R. I., New York City, and concluding in Pittsburgh, Dec. 8.

L. J. Evans, assistant director of agencies, attended a meeting of the R. H. Pickford agency of Cedar Rapids, Ia., held at Waterloo, Ia., Monday. On Tuesday Vice-president Edmund Fitzgerald and Mr. Evans took part in the agency meeting of J. H. Copeland at Davenport, Ia.

Grant L. Hill, director of agencies, and John J. Hughes, assistant director,

Buying Insurance With Cigarette Money Urged

Life insurance men have been using the idea of buying life insurance with cigarette money as a sales plea for a long time. One of the inexpensive brands of cigarettes is now advertising: "I bought a life insurance policy with the past year's savings on the best cigarette I ever smoked."

will attend a meeting of the Ben S. McGiveran general agency at Eau Claire, Wis., on Tuesday, Dec. 8.

Following in the footsteps of his father, Henry Stevens, who has been a district manager of the Ohio State Life at Toledo for more than 20 years, Paul W. Stevens has joined the Toledo agency, of which Earl J. Pullen is manager.

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AGENCY MANAGEMENT

New Book on Recruiting by Diamond Life Bulletins

In March, 1932, as life insurance was entering the poorest year in a decade, a young man entered life insurance under one of the ablest managers in the business, F. H. Haviland of the Connecticut General in Chicago. His first year in the business Berrien Tarrant led the agency in number of cases.

Six years ago F. H. Haviland was a unit manager for the Equitable Life of New York in Chicago. Since that time he has built up for the Connecticut General one of the outstanding agencies in the country. One of his assistant managers, E. E. Enoch, is now manager for the Connecticut General in Cincinnati.

Builds Up Organization

Instructed by Mr. Haviland that he should work toward becoming an assistant manager, Mr. Tarrant began to build up a unit and in the first full year following Oct. 1, 1933, he built an or-

ganization of eight men with premiums of \$10,000 and volume of about \$400,000.

In the 72-page book on "Recruiting," which has been sent to all general agent and manager subscribers of the "Diamond Life Bulletins," Mr. Tarrant describes his system of recruiting agents.

While the methods he describes are used in a metropolitan center, the principles he advocates are those being used by successful managers in rural sections also. Managers with a wide acquaintance among successful business men and who can point with pride to men already in their agencies seem not to be seriously affected by the present dearth of new agent material.

It is understood that the "Diamond Life Bulletins" will publish from time to time other pointers from successful agency men on recruiting, supervision and training, furnishing the reports free to subscribers. Price of "Recruiting" by

Berrien Tarrant to non-subscribers is \$2 per copy.

Talk on Social Security

Two angles on mass social security were presented at the meeting of the Life Managers Association of Los Angeles. Col. Edward J. McCormack, special assistant to the director of the Bureau of Federal Old-Age Benefits, explained the plans and functions of the social security board. He told of the system for handling these benefits which has been worked out under his direction. Much help was received from life companies in preparing the system to be adopted and necessary forms for keeping records.

W. J. Graham, first vice-president of

the Equitable Life of New York in charge of group insurance, stated that the question of old age security for 26,000,000 people is under way. He referred to the provisions of the social security act and concluded with discussion of group insurance, old age income policies and annuities issued by life companies. He cited the immense field of prospects for protection of this character that has been created by the publicity concerning old age benefits provided in the social security act.

Scheurer Cleveland Speaker

Lee B. Scheurer, general agent State Mutual, Cincinnati, speaks at the meeting of the Cleveland Life Insurance Executives Club Dec. 4 on "Recruiting"

VIEWED FROM NEW YORK

By R. B. MITCHELL

PHILANTHROPIC DRIVE ON

Headed by General Agent L. E. Simon of the Massachusetts Mutual Life, the insurance division of the Federation for the Support of Jewish Philanthropic Societies of New York City launched a drive to raise \$40,000 for the federation with a dinner meeting last week. Contributions totaling \$10,000 were pledged before the dinner was over. The insurance division raised \$25,000 for the federation last year. A larger quota was necessitated because the federation's 1936 deficit is the largest in its history, owing to unprecedented demands for the services of its 91 institutions and to recent sharp rises in prices.

Members of the executive committee of the insurance division, in addition to Mr. Simon, are Manager J. M. Eisendrath, Guardian Life of New York; General Agent R. G. Engelsman, Penn Mutual; General Agent Isadore Freid, New England Mutual; Manager M. J. Hancel, Continental American; P. F. Hodes, supervisor, National Life of Vermont; W. L. Meissel, Massachusetts Mutual; Harold Barnett, Northwestern Mutual; G. P. Frenkel of Frenkel & Co.; E. C. Merzbach, Whitehill agency; Charles Liebowitz, Charles Liebowitz & Co.; and General Agent F. S. Goldstandt, Equitable Life of New York.

* * *

CONFUSION IN NASSAU STREET

Nassau street, which runs along the western edge of the insurance district in New York City, has for years been a sort of game preserve for pedestrians during the noon recess, being closed to vehicular traffic from 12 until 2. Trusting walkers are now likely to get clipped from the south by a taxi or truck at any hour of the day, for the police department has eliminated the noon hour armistice between pedestrians and drivers.

Under the new dispensation Nassau street now is a northbound one-way street all the time. For years it has been an estuary rather than a river of traffic, for movable arrows directed traffic downtown during the morning and then were switched around to send it uptown in the afternoon, with of course the two-hour slack tide at noon.

The lot of policemen along Nassau street just now is not a happy one in the morning hours, because drivers, conditioned by years of experience, keep trying to turn south into the thoroughfare as they always have done. Since the street is narrow, it is necessary for policemen to shoo the would-be southbound drivers back in order to avoid head-on collisions or at least traffic snarls. While the new arrangement has been designated as a two-week experiment, the policemen are pessimistically inclined to believe that the new system will remain.

* * *

MYRICK AGENCY CONFERENCE

The J. S. Myrick Agency of the Mutual Life of New York in New York

City will have its annual agency conference Dec. 8 at the Bankers Club. The meeting will begin with luncheon and speakers will include H. F. Whitney, vice-president Empire Trust Company, and D. B. Maduro, counsel, New York City Life Underwriters' Association, both of whom will speak on "Life Insurance Trusted Through a Trust Company."

Company speakers will include Associate Actuary J. B. Maclean, who will speak on the company's dividends for 1937; George Hofmann, associate agency manager, who will discuss life insurance as applied to the protection of business, and Mrs. Anna Grad, educational director of the agency, who will talk on "Probes and Consolidations."

The conference will close with a sound motion picture on making sales presentations stay presented, by Professors Borden and Busse of New York University, into which has gone the results of 12 years of research and practical experience.

* * *

J. F. DIEFENDORF IS RETIRING

J. F. Diefendorf, chief examiner miscellaneous bureau New York department, and connected with the office since 1897, will retire at the close of the year. Superintendent Pink in accepting the resignation recalled that Mr. Diefendorf had served nearly 39 years under 13 superintendents. He entered the department as a clerk in the actuarial bureau in Albany. In 1906 he was appointed an examiner and in 1911 he was designated a chief examiner.

"It is hard to realize," Mr. Pink wrote to Mr. Diefendorf, "that you have been associated with the department during half of the period of its existence. The wide experience which you have gained through all these years has been an invaluable asset to the department and your retirement will create a gap in our ranks which it will be very difficult to fill."

* * *

N. Y. LIFE SALES CONFERENCE

A one-day sales conference of all active New York Life agents in Greater New York was held Monday at the Commodore Hotel. About 1,000 agents were present for the morning and afternoon sessions, which were conducted by Vice-president L. Seton Lindsay.

Among the speakers, all of whom gave helpful suggestions on how to obtain more business, were Thomas A. Buckner, president; Arthur Hunter, vice-president and chief actuary; Charles E. Langmuir, vice-president; Griffin M. Lovelace, vice-president; George S. Van Schaick, vice-president and former New York superintendent; Charles O'Connell and Raymond Moore of the agency service bureau, and Isaac Kibrick, a leading New York Life agent and former president of the company's Top Club.

W. E. Hunt, veteran Fargo, N. D., life agent, died at the age of 78.

OUR LEADERS

1. Low Cost Preferred Risk
Ordinary Life—Family Income—Adjustment
2. Retirement Income Endowments
Income @ 55, 60, 65 or 70
3. Juvenile Education Endowments
4. Attractive General Agent's Contract



Philadelphia Life Insurance Company

111 North Broad Street
Philadelphia, Pa.

THE HOME LIFE INSURANCE COMPANY OF AMERICA

PROTECTS THE ENTIRE FAMILY

Home Life agents are equipped to serve every need for life insurance. Modern policies are issued, on both Industrial and Ordinary plans, from birth to 65 next birthday.

A POLICY FOR EVERY PURSE AND PURPOSE

Basil S. Walsh
PRESIDENT

Joseph L. Durkin
SECRETARY

John J. Gallagher
TREASURER

Independence Square

Philadelphia, Penna.

SALES IDEAS AND SUGGESTIONS

Clerical Help in Programming Can Be Lavish Yet Profitable

NEW YORK, Dec. 3.—There is a definite ratio between programs presented and cases closed, but if costs are to be kept in line the agency must be organized on a programming basis so that there will be sufficient mass production of written proposals, according to a prominent agency manager who has made successful use of this method.

Putting an office on a programming basis is not a panacea, he warns. The tendency is for the programming activities to become over-complicated or else over-simplified. Programming requires constant supervision with an eye to improvement. However, it has the advantages, beside yielding a known ratio of closed cases, of bringing in much repeat business and providing a means of controlling agents. It is a record keeping aid. It is a prestige builder for the agent and the agency. It enables the agent, by solving the prospect's insurance problems, to have the best possible reason for getting him to give names of other prospects as references.

Develops Agents Quickly

It offers a quicker way of developing salesmen into real life insurance counselors. Management costs are lower because every one is working under the same plan. It is much easier to arrive at significant figures as to the cost of getting new men and keeping present agents on their toes, for it makes comparisons easy and vivid.

A very great advantage of the program system is that it gives the agent courage to see people whom he might otherwise shrink from calling upon, for with the program system he feels that he has something real to sell. Also it makes possible a uniform method of rehearsing sales presentations to gain skill.

Expense Is Hazard

"The main danger is that costs will get out of line," this manager said. "It is not a system that can be installed and forgotten. It must be revised in accordance with experience. It is not something that can be announced at a convention with the idea that the general agents and the managers will take it home and put it into operation. You have got to have a good man work it and show others how to do it, rather

than laying out the theory and expecting people to work out the plan successfully.

"It is not enough to provide good sales tools. We have got to bring in business at a profit. The first question is how much we should charge up to training men to stand on their own feet and how much to the current expense of bringing in new business. Then we must take the Life Insurance Sales Research Bureau's figures on what we can afford to pay for new business and decide how we want to spend it: advertising, agency outings, contests, prizes, various prestige-building mediums, subsidizing lunches for agents' guests, advertising in local papers.

"What we ask is, in what way can we spend this money so that it will make the agent a little more self-sustaining and help his growth as an underwriter. Only in that way can we get him stabilized in the business. If you can recruit men more cheaply than another agency, you can afford to spend some of what it costs the other fellow in sales aids. If you can hire assistant managers at lower salaries and carefully direct them, they will value this direction as experience. All of this leaves more money to help agents sell.

"It takes from 50 minutes to one hour for a girl to type up the average program. We have a closing ratio of one case for each 3.2 programs presented, plus a large amount of repeat business. I estimate that we could afford to keep on with the programming basis even with a closing ratio of one to four or one to five.

"I don't believe the analyst who consults with the agents and advises them on the programs should be a high salaried man, although he will make a good income by supplementing his advisory work with personal production. The agents must learn quickly to make their own programs, with the assistant manager merely checking them over instead of the agent having the whole job done for him.

"The program, to be effective, must be simple. We started out with an eight page program, but now we have it down to three pages and a chart. Each program gets individual treatment, but we use a standardized mimeographed form

which the agent fills in and on which he notes any changes from the standard form. This has resulted in cutting clerical costs by one-half. For example, on the sections of the proposal on which no change is indicated, the girl can type from memory.

"You can't run an agency on a large scale programming basis with the office paying the cost of the programs unless there is standardization and unless the agency as a whole uses it and not just a few men. The machinery must be set up on a mass production basis and this means the load must be fairly constant and not widely fluctuating. We tell our men that unless they get three programs a week, we cannot afford to keep on giving this service, and we deny the service to those who don't come up to this standard."

It is interesting to note that in spite of this agency being organized on a highly programmed basis, that about 40 percent fall in the "package" category.

SALES IDEAS OF THE WEEK

DEVELOP YOUNG MEN

Several companies have been doing intensive sales promotion work among boys with the idea of developing them into policyholders. In telling of the Massachusetts Mutual Life's program along these lines, J. M. Blake, manager field service department, said the first purchase of life insurance is an important event and makes a lasting impression on the purchaser. If the policyholder is properly followed up as he progresses through the years, most of his life insurance can be written by the original company.

Every established agent will do well to set aside a certain amount of time in contacting young men who show promise. Although their immediate purchasing power may be low, the idea is to develop them for future sales. This type of work is long range sales promotion but it provides the agent with profitable contacts as the years go on.

* * *

QUALITIES THAT GAIN SUCCESS

The successful agent possesses initiative and accepts responsibility. He likes to meet people. He is enthusiastic, possesses imagination, believes in life insurance and is willing to study and learn his business.

Surplus Tax Act Opens Up Sales Possibilities

An intelligent study of insurance and its uses in connection with the new surplus tax act and all federal, corporate and state taxation offers great possibilities to the life agent. Although there have been no specific rulings on the new surplus tax act by the Bureau of Internal Revenue, the taxation of undistributed corporate surplus may open possible leads to life insurance sales.

When a corporation takes out insurance on one of its officers or employees for the benefit of the corporation, it is not liable for income tax on the amount of insurance paid to it upon the death of the insured, according to Gale F. Johnston, divisional sales manager of the Metropolitan Life group division at St. Louis.

Excluded from Gross Income

The proceeds of life insurance policies paid by reason of the death of the insured to his estate or to any beneficiary (individual, partnership or corporation, but not a transferee for valuable consideration), directly or in trust, are excluded from the gross income of the beneficiary. The premiums for ordinary corporation insurance cannot be deducted as an operating expense from the gross income of such a corporation. However, if the corporation wishes to insure the lives of officers or employees, such premiums are deductible expense just as would be a salary or a bonus.

The purchase of corporation life insurance is a wise and legitimate business policy, said Mr. Johnston. The purchase of endowment policies on executives offers a good corporation savings plan. Some businesses are providing their executives with individual annuity endowment contract as part of the compensation of these employees. This is a satisfactory method today when large salaries are in the spotlight, said Mr. Johnston.

C.L.U. NEWS

TO ATTEND NIGHT SCHOOL

More than a dozen prospective C. L. U. membership applicants will shortly start attending night school at Denver to meet the high school education preliminary requirement. This matter was discussed at the last meeting of the Denver C. L. U. chapter. Night school attendance was recommended as the best solution to educational equivalent problem.

* * *

AGENCY HAS C. L. U. CLASS

Under the leadership of Edward Worth, field supervisor Occidental Life, San Francisco, weekly meetings of members of the agency are being held for the study preparatory to the C. L. U. examination. It is planned to have members of the San Francisco C. L. U. chapter address the group on various subjects.

* * *

N. J. COLLEGE HAS C. L. U. COURSE

A C. L. U. course has been established by the Hudson College of Commerce & Finance, a division of St. Peter's College in Jersey City, starting Jan. 4.

The faculty includes G. F. Cadisch, former instructor in investments and life insurance in the University of Maryland, who in 1931 directed a C. L. U. training course for the Spokane, Wash., Life Insurance Underwriters Association, dean of the college and director of the C. L. U. course; Hugh

Attempts to Save Insured with Blood Transfusion

GRAND RAPIDS, MICH., Dec. 3.—An unusual incident occurred here when blood was furnished by Howard Blake of the Herbert W. Florer Aetna Life general agency. Unfortunately, the policyholder whose identity was not revealed but who was a close friend of Mr. Blake, did not survive. He had been stricken with gastric ulcers following a fishing trip with Mr. Blake, the internal hemorrhages leaving him in a weakened condition which made a transfusion imperative if life was to be preserved. The agent's blood prolonged his life but death followed about two weeks after the attack. The insured had a large policy which had been in force but a relatively short time. He had passed a perfect physical examination in connection with application for the coverage.

SALES RECORDS

Massachusetts Mutual Life—Net life insurance deliveries during October totaled \$12,487,477, a gain of 4.86 percent. This is the 10th consecutive monthly gain. Also for the 10th consecutive month, terminations were lower. The company has shown a gain in insurance in force each month throughout the year, the greatest gain being made in October, when an addition of \$3,683,987, brought the total gain for the year to \$15,698,283. Mortality in October improved, the figure for the first 10 months showing 55.8 percent as compared to 59 per cent. Policy loans, which for the first nine months of this year had reduced \$4,060,405 in amount, were further reduced by \$438,134 during October.

Columbia Life—Paid for business the first 10 months is 26 percent ahead of last year. Improvement is noticeable particularly in rural sections.

Kansas City Life—The first ten months the average application was \$1,627 on annual premium business, with

an average annual premium per \$1,000 of \$28.71. Renewal experience for the past three months in every agency has shown an improvement of from three to 15 points. The Kansas City Life will close 1936 with \$435,000,000 insurance in force and \$100,000,000 assets.

Dallas Agency, Lincoln National Life—Showed 12 percent increase in paid for business for the first ten months.

Alex A. Dewar, Equitable Life of New York, Los Angeles—In a "Statue of Liberty" campaign for production of new business with a goal of 50 applications from young persons under 30, 58 app's were written, with M. I. Scott and H. K. Gilmour leading with 5 app's each. In an October football contest 215 applications for \$1,379,914 were submitted.

Roy Roberts, State Mutual Life, Los Angeles—Reports a gain of 40 per cent in paid-for production for the year to date. A four weeks' contest of the agency resulted in approximately \$250,000 of new paid business, and in a one-day drive 23 applications were written for over \$90,000.

Guy Gay, Sun Life of Canada, Denver—10 percent increase in sales for year.

O'Neill, special agent Northwestern Mutual Life in Newark and Jersey City, a member of the education committee of the Life Underwriters Association of Northern New Jersey, and C. J. Zimmerman, Newark, general agent Connecticut Mutual Life, former president of the Northern New Jersey association and former executive secretary New York City association.

Insurance in Force Is Now \$104,500,000, Cox Says

(CONTINUED FROM PAGE 2)

which now total about \$3,000,000,000 for the 49 companies, representing 13.4 percent of assets. He said apparently this class of assets has returned to its normal proportion. From the end of 1911 to the end of 1929 the percentages were between 12 and 14; during the first three years of the depression their rapid rise increased the ratio from 13.3 to 17.9 percent. Since the end of 1932 there has been a gradual decline.

Johnson Chicago Manager

The United States Life has appointed E. L. Johnson manager for Chicago and vicinity, taking charge of the branch which for several years has been in 222 West Adams street. Offices are being moved to 510-12 Conway building.

PERSONALS

Col. H. P. Dunham, vice-president of the American Surety and New York Casualty, and former Connecticut insurance commissioner, gave a large dinner at his home at One Fifth Avenue, New York City, Wednesday night. There were a number of insurance officials, men in public office and dignitaries in different lines present.

J. G. Eaton, Fort Worth, Tex., veteran general agent of the General American Life and its predecessor, the Missouri State Life, died Sunday. He had been in ill health for several years.

President Harry L. Seay of the Southland Life, who has been ill for some time, is reported to be gradually improving. On his birthday, Wednesday of last week, he was presented with a beautiful bouquet from his home office.



Gives Investment Tabulation

(CONTINUED FROM PAGE 2)

Dec. 31	Railroad Bonds and Stocks		Public Utility Bonds and Stocks		Other Bonds and Stocks		Total Bonds and Stocks	
		Pct.*		Pct.*		Pct.*		Pct.*
1906.....	\$1,001,728,000	34.8	\$134,056,000	4.7	\$107,777,000	3.7	\$1,437,461,000	50.0
1911.....	1,351,330,000	33.4	166,513,000	4.1	81,778,000	2.0	1,874,064,000	46.3
1916.....	1,670,486,000	31.3	217,070,000	4.1	81,814,000	1.5	2,421,263,000	45.3
1921.....	1,718,823,000	22.9	223,605,000	3.0	104,105,000	1.4	3,463,479,000	46.2
1924.....	2,097,343,000	21.7	460,076,000	4.8	139,770,000	1.4	3,997,909,000	41.3
1925.....	2,232,288,000	20.8	632,319,000	5.9	164,314,000	1.5	4,299,494,000	40.1
1926.....	2,401,141,000	20.2	826,360,000	6.9	174,499,000	1.5	4,530,335,000	38.1
1927.....	2,581,396,000	19.4	1,076,411,000	8.2	215,175,000	1.6	4,987,103,000	37.8
1928.....	2,738,330,000	18.7	1,325,226,000	9.0	314,435,000	2.1	5,556,238,000	37.8
1929.....	2,848,610,000	17.7	1,450,390,000	9.0	415,691,000	2.6	6,981,483,000	37.2
1930.....	2,947,027,000	17.0	1,675,187,000	9.7	546,906,000	3.1	6,496,588,000	37.5
1931.....	2,996,675,000	16.2	1,814,268,000	9.8	597,044,000	3.2	6,931,730,000	37.5
1932.....	2,940,334,000	15.5	1,808,088,000	9.5	593,733,000	3.1	6,976,265,000	36.7
1933.....	2,858,510,000	15.0	1,828,100,000	9.5	580,600,000	3.0	7,367,589,000	38.3
1934.....	2,912,743,000	14.5	1,926,922,000	9.6	659,729,000	3.3	8,706,694,000	43.3
1935.....	2,875,739,000	13.4	2,170,601,000	10.1	787,165,000	3.7	10,207,112,000	47.7
1936-9/30.....	2,925,800,000	13.0	2,381,181,000	10.6	900,775,000	4.0	11,313,271,000	50.3
†1936-12/31.....	2,950,000,000	13.0	2,458,000,000	10.8	941,000,000	4.1	11,703,000,000	51.4

Dec. 31	Policy Loans and Premium Notes		Real Estate		Collateral Loans		Cash	
		Pct.*		Pct.*		Pct.*		Pct.*
1906.....	\$254,815,000	8.9	\$156,442,000	5.4	\$51,678,000	1.8	\$65,040,000	2.3
1911.....	523,457,000	13.0	157,814,000	3.9	13,633,000	.3	64,931,000	1.6
1916.....	750,051,000	14.0	143,520,000	2.7	14,215,000	.3	96,068,000	1.8
1921.....	977,306,000	13.0	147,675,000	2.0	26,415,000	.4	88,721,000	1.2
1924.....	1,190,822,000	12.3	175,748,000	1.8	11,975,000	.1	100,838,000	1.1
1925.....	1,296,136,000	12.1	190,184,000	1.8	12,187,000	.1	100,762,000	.9
1926.....	1,428,388,000	12.0	254,375,000	1.9	16,905,000	.2	91,489,000	.8
1927.....	1,590,449,000	12.1	254,608,000	1.9	18,885,000	.2	108,915,000	.8
1928.....	1,790,836,000	12.2	301,419,000	2.1	23,798,000	.2	112,957,000	.8
1929.....	2,139,669,000	13.3	345,490,000	2.2	21,073,000	.1	117,657,000	.8
1930.....	2,515,709,000	14.6	411,082,000	2.4	19,606,000	.1	126,158,000	.7
1931.....	3,015,921,000	16.4	521,118,000	2.8	18,719,000	.1	149,316,000	.8
1932.....	3,415,810,000	17.9	753,339,000	4.0	11,760,000	.1	291,038,000	1.5
1933.....	3,419,498,000	17.8	1,102,026,000	5.7	10,891,000	.1	416,337,000	2.1
1934.....	3,300,488,000	16.4	1,485,367,000	7.4	8,789,000	.1	557,608,000	2.8
1935.....	3,187,136,000	14.9	1,749,030,000	8.2	7,861,000	.0	761,737,000	3.6
1936-9/30.....	3,088,942,000	13.8	1,945,318,000	8.7	6,698,000	.0	873,604,000	3.9
†1936-12/31.....	3,065,000,000	13.4	2,016,000,000	8.9	6,000,000	.0	825,000,000	3.6

Dec. 31	Other Admitted Assets		Of the 49 United States Companies		Of All United States Companies		Ratio of 49 Companies to All Companies	
		Pct.*		Pct.*		Pct.*		Pct.*
1906.....	\$90,529,000	3.1	\$2,876,487,000		\$2,924,254,000		98.4	
1911.....	105,980,000	2.6	4,047,997,000		4,164,492,000		97.2	
1916.....	133,611,000	2.5	5,346,606,000		5,536,607,000		96.6	
1921.....	211,473,000	2.8	7,498,239,000		7,936,497,000		94.5	
1924.....	369,081,000	3.8	9,680,478,000		10,394,034,000		93.1	
1925.....	418,286,000	3.9	10,717,107,000		11,537,615,000		92.9	
1926.....	487,102,000	4.1	11,831,395,000		12,939,807,000		91.8	
1927.....	541,027,000	4.1	13,185,169,000		14,391,851,000		91.6	
1928.....	653,554,000	4.4	14,689,498,000		15,961,094,000		92.0	
1929.....	708,657,000	4.4	16,060,597,000		17,482,309,000		91.9	
1930.....	721,108,000	4.2	17,304,286,000		18,879,611,000		91.7	
1931.....	741,382,000	4.0	18,467,164,000		20,159,940,000		91.6	
1932.....	776,008,000	4.1	19,020,035,000		20,754,112,000		91.6	
1933.....	688,704,000	3.6	19,246,782,000		20,895,726,000		92.1	
1934.....	544,436,000	2.7	20,099,647,000		21,848,794,000		92.0	
1935.....	512,546,000	2.4	21,374,618,000		23,216,496,000		92.1	
1936-9/30.....	541,744,000	2.4	22,461,144,000		24,400,000,000		92.1	
†1936-12/31.....	555,000,000	2.4	22,800,000,000		24,750,000,000		92.1	

*Ratio of investments in class to total investments.

†Estimated by the Association of Life Insurance Presidents.

‡Including securities of all political subdivisions.

§Data, except for 1936, from Life Insurance Year Books of the Spectator Company.

T. A. Phillips Feted at Large Dinner Given by J. J. King

(CONTINUED FROM PAGE 9)

president General American Life; A. F. Jaques, administrative supervisor Prudential; L. J. Kalmbach, vice-president Lincoln National Life; R. H. Kastner, associate counsel American Life Convention; Edward King, secretary and treasurer the Hooper-Holmes Bureau; F. E. King, attorney-at-law; J. C. King, director of sales Hooper-Holmes Bureau; John M. Laird, vice-president Connecticut General Life; Stewart M. LaMont, third vice-president Metropolitan Life; L. F. Lee, president Occidental Life; N. C. H. K. Lindsley, president Farmers & Bankers Life.

Other Guests Present

Also R. R. Lounsbury, president Bankers National Life of New Jersey; T. E. Lovejoy, president Manhattan Life; Vincent D. Manahan, chief underwriter ordinary department Metropolitan Life; A. J. McAndless, executive vice-president Lincoln National Life; H. E. McCurry, attorney-at-law; J. A. McLain, vice-president Guardian Life of New York; Samuel Milligan, second vice-president Metropolitan Life; R. B. Mitchell, The National Underwriter; Henry Moir, chairman United States Life; William Montgomery, president Acacia Mutual Life; W. I. Morrow, assistant secretary Aetna Life; Farrar Newberry, director Woodmen of the World Life Association; G. S. Nollen, president Bankers Life of Iowa; J. B. Northrop, assistant manager claim department Metropolitan Life; J. H. Oden, vice-president North American Reassurance; Lee N. Parker, president American Service Bureau; W. B. Parsons, second vice-president Equitable Life of New York; C. O. Pauley, secretary Great Northern Life; Julian Price, president Jefferson Standard Life; E. B. Raub,

president Indianapolis Life; A. D. Reiley, supervisor of risks Mutual Life of New York; C. B. Robbins, manager and general counsel American Life Convention; E. A. Roberts, vice-president and general counsel Minnesota Mutual Life; G. E. Rogers, Jr., manager ordinary issue department, Prudential; W. E. Rumble, Minnesota Mutual Life; Dr. E. F. Russell, medical director Mutual Life of New York; A. E. Thyseus, supervisor the Hooper-Holmes Bureau; H. M. Woollen, president American Central Life.

Pacific Mutual Hearings Believed Nearing an End

(CONTINUED FROM PAGE 9)

Attorney Guerena representing Commissioner Carpenter declared the Transamerica's proposal contemplated liquidation and was not reinsurance. He said that a life insurance contract differs from an ordinary one. He argued that under the code the commissioner has complete authority to conduct the business of a company or such part as he may deem proper to such a point where it may be returned to the owners.

Attorney Doherty spoke in favor of the Giannini plan, representing a group of New York policyholders. He said that any appeal and reversal of the decision of Judge Willis would leave the company in a worse situation than at present. He said that Commissioner Carpenter's plan is based on the National Surety rehabilitation but he pointed out vital differences. He said that the insurance code is valid and if in this case its provisions are carried out the present proceedings will be on sound constitutional grounds. He cited sections of the code to show wide discretionary powers

given the court. He then recommended that the court make a liquidation order fixing a date when policyholders could accept reinsurance under conservatorship or file claims under the liquidation.

Attorney Neblett presented a petition asking the court to authorize liquidation and sale of assets. Attorney Guerena, representing Commissioner Carpenter, stated it was the intention to continue the old company under the new name. The old company, he said, is legally solvent and paying its bills but is technically insolvent. He reviewed several sections of the insurance code relative to mutualization and held that the commissioner could not limit the capitalization of the new company to the statutory minimum because of practical insurance reasons to provide for compulsory mutualization but instead had provided for voluntary mutualization. The rehabilitation plan, he declared, is not new in the Pacific Mutual proposal but has been used elsewhere. He said that the National Surety case is parallel to that of the Pacific Mutual plan.

Claims No Rights Impaired

Judge Willis will probably give his decision in the Pacific Mutual case Thursday, he announced, after cutting down the time for argument. Attorney Guerena, for Commissioner Carpenter, reiterated that no one had shown what rights had been impaired and said the state's seizure of the assets did not violate the due process clause. He admitted discrimination between active non-can policyholders and those already disabled but contended it was a matter of necessity and stated that the active non-can policyholders have no vested rights in liquidation or in judicial sale, or to any other particular remedy. The extent to which they had been damaged, he said, was the amount they had overpaid in the early policy years. An aim of the plan, he said, is to give stockholders their due after all creditors have been paid. Attorneys T. R. Cosgrove, representing general agents, and William Raines, representing life policyholders, also argued for the plan.

TO DISCUSS PACIFIC MUTUAL

LOS ANGELES, Dec. 2.—Commissioner Carpenter of California is leaving Friday for Hot Springs, Ark., to attend the meeting of the National Association of Insurance Commissioners, where entire day is to be devoted to a discussion of the Pacific Mutual Life situation. Although Commissioner Carpenter serves as a member of a number of important committees of the association because of demands on his time through the hearing on the Pacific Mutual Life, he has been forced to forego activity along these lines until agreement has been reached regarding future plans for the company.

In New Jersey for 88 Years

C. J. Zimmerman, New Jersey general agent of the Connecticut Mutual Life, with headquarters in Newark, has been digging into the records and finds that the company has been represented in New Jersey for 88 years, the first general agent having been appointed in 1848. There were two periods when the company operated the agency but it was never discontinued entirely.

C. E. Lowry, president and agency manager of the National Equity Life of Little Rock, who is on the reception and entertainment committee of Arkansans in charge of the convention of the National Association of Insurance Commissioners, will entertain a large party following the dinner Monday evening given by Insurance Commissioner Gentry at Hot Springs. Mr. Lowry will take his guests to the famous Belvidere Club, following the banquet.

"Life Insurance and the Federal Tax Laws"—authoritative 44-page booklet 50c. Order from National Underwriter.